City of Regina (Saskatchewan, Canada)

2015 Annual Report

Year-end December 31, 2015

City of Regina | REGINA Infinite Horizons

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Prepared by City of Regina

- Finance Department
- Strategy Management Branch
- Communications Department

Audited by:

- Deloitte LLP

Government Finance Officers Association

Canadian Award for Financial Reporting

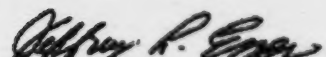
Presented to

City of Regina

Saskatchewan

For its Annual
Financial Report
for the Year Ended

December 31, 2014



Executive Director/CEO

Table of Contents

INTRODUCTION

Message from the City Manager 2
Message from the Mayor 4
Vision, Mission and Values 5
City Council 6
Major Highlights of 2015 8
The Environment in Which we Work 14
Community Profile 14
Organization Profile 16
Strategic Context 17
Key Risks Facing the City of Regina 19
Planning our Future 20
Design Regina: The Official Community Plan 20
Strategic Plan 22

CITY OF REGINA PERFORMANCE IN 2015 25
Message from the Chief Financial Officer 25
Assessing our Performance 26
Official Community Plan Results 27
Activities and Decisions to Implement the Official Community Plan 27
Performance Measurement of the Official Community Plan 33
Strategic Plan Results 38
Operational Performance Measurement 40
Performance Measurement 40
Operational Highlights 40
Service Partners 50

FINANCIAL INFORMATION

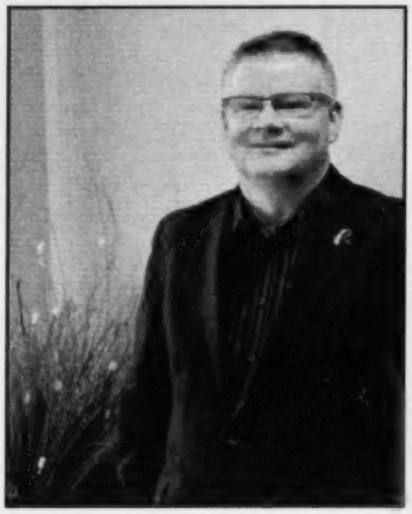
FINANCIAL STATEMENT DISCUSSION & ANALYSIS 60

CONSOLIDATED FINANCIAL STATEMENTS 90
Management's Report 90
Independent Auditor's Report 91
Consolidated Statement of Financial Position 92
Consolidated Statement of Operations 93
Consolidated Statement of Changes in Net Financial Assets 94
Consolidated Statement of Cash Flows 95
Notes to Consolidated Financial Statements 96
Schedule 1 - Consolidated Statement of Operations by Fund and Organization 122
Schedule 2 - Consolidated Statement of Operations by Segment 123
Schedule 3 - Consolidated Statement of Tangible Capital Assets 127

GENERAL TRUST FUND 130
Independent Auditors Report 130
Statement of Financial Position 131
Statement of Revenue, Expenditures and Changes in Fund Balance 132
Notes to Financial Statements 133

APPENDICES

Message from the City Manager



May 30, 2016

His Worship, the Mayor and Members of City Council

I am pleased to submit the City of Regina's 2015 Annual Report, pursuant to Section 155 of *The Cities Act*. The Annual Report includes consolidated financial statements for the City of Regina as required by the Public Sector Accounting Standards Board (PSAB) along with financial, statistical and other information about the City of Regina and related.

The Annual Report consists of the following sections:

Introduction

The introduction familiarizes readers with the community, the organization, Council and its Administration. It also includes the City's strategic planning framework and major highlights of 2015.

City of Regina Performance in 2015

This section outlines how the City reports on its performance, including meeting our commitment to the public to report on progress in implementing *Design Regina: The Official Community Plan*. I am proud to say that the City of Regina is adopting best practices by measuring and reporting on both strategic progress and operational performance. Last year, you saw the first measures in a rigorous measurement framework. For 2015, we have begun to include some data about the City's programs and services, including comparisons to other municipalities. Our measurement systems will continue to evolve and grow in the coming years.

Financial Statement Discussion and Analysis

This section provides explanations and trend analyses to provide a broader understanding of the financial statements.

Financial Statements

Detailed financial statements of this section include the Consolidated Financial Statements and the General Trust Fund financial statements.

The preparation and presentation of the financial statements and related information contained in this annual report is the responsibility of the City's Administration. The statements have been prepared on a basis consistent with the recommendations of the Public Sector Accounting Board (PSAB). Included in the Consolidated Financial Statements are those entities that are accountable to and owned or controlled by the City of Regina. These entities include: Regina Public Library, Economic Development Regina (formerly Regina Regional Opportunities Commission), Buffalo Pound Water Administration Board, Regina Exhibition Association Limited (operating as Evraz Place); Regina Downtown Business Improvement District and Regina's Warehouse Business Improvement District.

City Council appointed the accounting firm of Deloitte, LLP to perform an audit of the City's 2015 Financial Statements. Their report is included in this document. The City's system of internal controls helps maintain the integrity of our financial information. The Finance and Administration Committee reviews the external auditor's audit plan and ensures corrective action is taken for weaknesses identified in the City's internal control system.

The City's operations are typically segmented (General Operating, General Capital, Utility Operating and Utility Capital) for budgeting and reporting purposes. In the Financial Statements, segment disclosure is also provided by divisional areas.

Based on the consolidated information, the following points are noted for 2015:

The City's (consolidated entity) net financial assets position decreased in 2015 by $121.7 million to a total of $69.7 million. This is due to the financing of major capital projects, namely the new Mosaic Stadium project and the Wastewater Treatment Plant upgrade, to meet the city's present and future demands.

Total revenues in 2015 were $657.0 million, a decrease of $23.5 million from 2014. Total expenses in 2015 were $487.5 million, a decrease of $46.3 million from 2014.

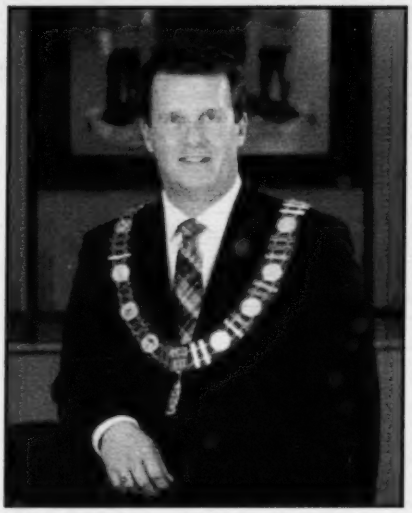
The planning, development and monitoring of the annual operating and capital budgets is a fundamental component of the City's financial administration. For 2015, the City's General Operating Fund ended the year with an operating surplus of approximately $9.9 million. The surplus is determined on a basis consistent with the presentation of the 2015 General Operating Budget before PSAB standards are consolidated and applied.

The City's achievement in providing accurate and articulate financial statements were recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for the 23rd consecutive year. The GFOA awarded a Canadian Award for Financial Reporting to the City of Regina for its Annual Financial Report for the fiscal year ended December 31, 2014. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports. To be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily-readable and efficiently-organized annual financial report with content that conforms to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs.

Respectfully submitted,

Chris Holden
City Manager & Chief Administrative Officer

Message from the Mayor



May 30, 2016

Dear Regina citizens,

On behalf of City Council, I am pleased to present to you the 2015 City of Regina Annual Report.

Our city continues on an exciting path. Our economic success has made Regina a prominent presence on the national stage; we have been named one of Canada's top destinations for mobile workers looking for their next career opportunity and we have become a hotspot for international migration because of our welcoming and diverse community. All this has resulted in Regina having one of the highest growth rates in all of Canada in recent years.

We have seen a tremendous amount of progress happen over the course of 2015. Major efforts like the new stadium, the railroad renewal project and upgrading the Wastewater Treatment Plant continue to be on-time and on-budget. Long-standing issues to the Civic Employee's Pension Plan were solved through a negotiated agreement between the five employers and 21 employee groups. Capacity challenges at the Buffalo Pound Water Treatment Plant were dealt with through the expertise of our staff and a strong response from the public to voluntary water restrictions. The city played host to hundreds of forest fire evacuees from Saskatchewan's north and became a new home to hundreds of Syrian refugees.

City Council and administration are continuing to prioritize sustainability and the responsible use of taxpayer dollars. For example, joining a national municipal benchmarking initiative will give us consistent, comparable information about how effectively and efficiently Regina is delivering services to taxpayers. This is one more way in which we can be transparent and accountable to our residents. Our staff has also carried out an extensive consultation with the development industry during a review of Service Agreement Fees and Development Levies.

We are also doing more to show you where your tax dollars go. Next year we will implement a new system for our planning and budgeting processes, focusing more closely on service levels. In the future, this will allow us to get a better picture of the exact cost of delivering those services and the costs of increasing or reducing service levels. You as taxpayers will get a clearer picture of the cost of doing business and how far your tax contributions are going.

We want to ensure our priorities are your priorities. The City is increasing the amount of consultation and dialogue we have with taxpayers. This will continue as we create a robust public engagement strategy and revamp our advisory committee system. I encourage all Regina citizens to be involved with the work of the City by attending Council meetings, staying in contact with your Councillor and engaging with us through social media.

Sincerely,

Michael Fougere
Mayor

Vision, Mission & Values

City Council and the administration are committed to meeting our community's goals. In 2013, the City adopted a new Official Community Plan, *Design Regina*. That plan, which outlines the Community's priorities and the policy goals and actions to be achieved over the next 25 years, was based on our Vision and Values and has become the foundation for our strategic planning.

Our Vision

Canada's most vibrant, inclusive, attractive, sustainable community, where people live in harmony and thrive in opportunity.

- **Vibrant:** Young people and creative spirits are inspiring dynamic neighbourhoods and an exciting downtown, all of which feature first-rate facilities for health, wellness and artistic expression.
- **Inclusive:** Our community welcomes people. We live the values of respect and trust and celebrate the strength that comes from our diversity.
- **Attractive:** Residents and visitors choose Regina because it's clean, green, lively, friendly, affordable and fun.
- **Sustainable:** People forge a balance between the economic, social, environmental and cultural dimensions of their decisions by serving as stewards of the resources we share and by demonstrating leadership.
- **Harmony:** Empathy and understanding come from, and lead to, being safe in our homes and neighbourhoods; building strong social networks throughout the community creates synergy and sense of belonging.
- **Opportunity:** The entrepreneurial spirit powers Regina as a centre of success where research, innovation and excellence abound.

Our Mission

The City of Regina contributes to its citizens' quality of life by providing services and infrastructure at a level and of a quality that is sustainable.

Our Values

- **Performance Driven & Accountable:** We all demonstrate leadership qualities. We instil a sense of mutual responsibility, open communication and teamwork while being accountable to each other, our community and Council. Our efforts are performance driven and outcome based.
- **Responsive & Respectful:** We cultivate a professional environment by being responsive and respectful in our conduct and interactions. We focus on safety, diversity and mutual respect.
- **Innovative & Creative:** We continuously improve by promoting innovative approaches to our work and how we serve our community and Council. We are creative, purposeful and take measured risks which results in new ways of doing business and being cost effective.
- **Focused on Excellence:** We are results oriented, providing excellent, responsive and accessible service.

City Council

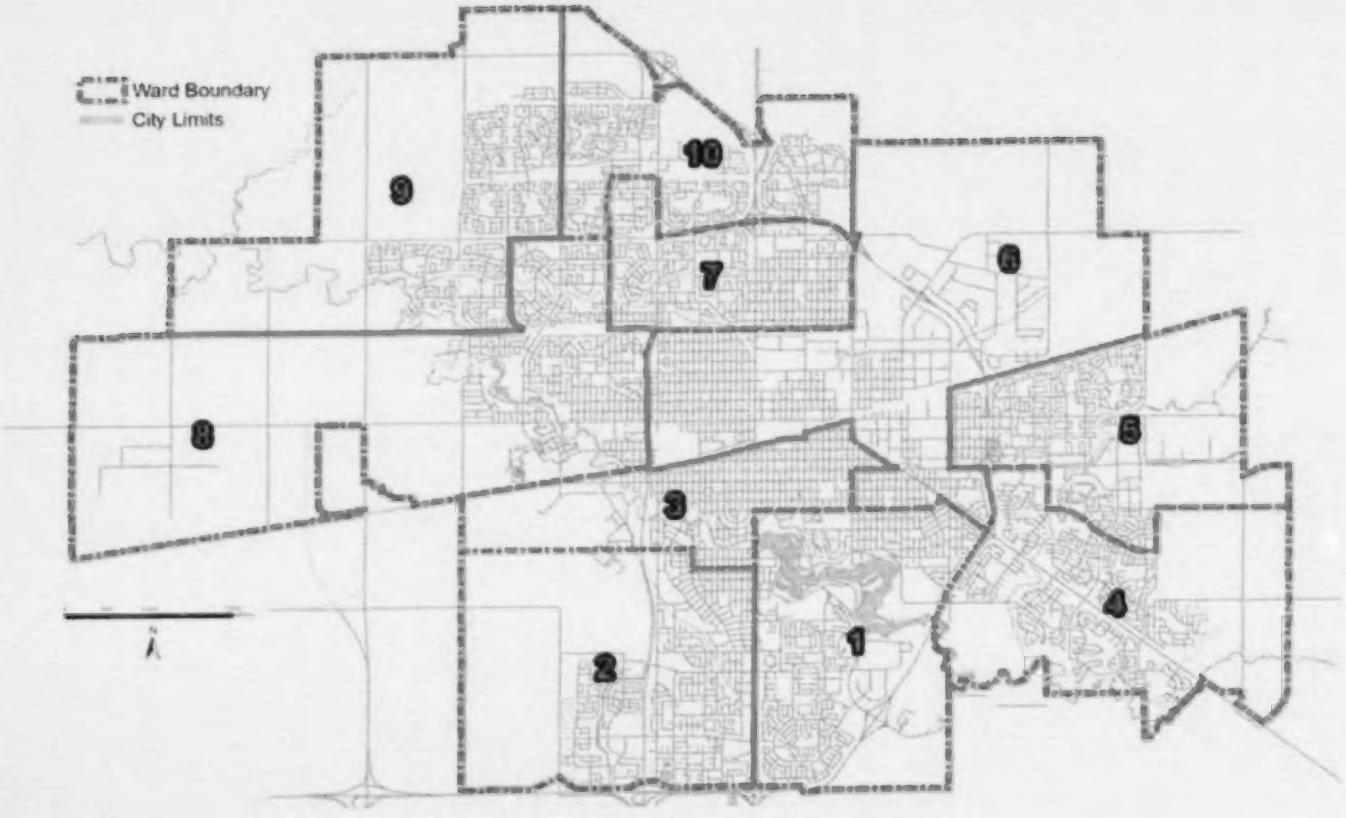
City Council is responsible for the governance of the City of Regina, subject to Provincial legislation. Members of City Council are elected every four years in a municipal election with the last held October 24, 2012. The City of Regina uses a ward system for electing Regina City Council, with the city divided into 10 wards. The Mayor is elected at large and one Councillor elected in each ward. City Council's primary responsibility is to provide policy direction for the operation of the City. Council also sets the long-range service goals, and approves operating and capital budgets.

The Mayor presides at all meetings of City Council and is the ceremonial head of the municipal government. The Mayor and City Clerk are the municipality's symbolic and official signing officers, respectively. City Council members for the 2012-2016 term are shown in the picture below.

City Council members for the 2012-2016 term are:

***L-R:** Councillor Mike O'Donnell, Councillor Bob Hawkins, Councillor Terry Hincks, Councillor Sharron Bryce, Councillor Bryon Burnett, Mayor Michael Fougere, Councillor Shawn Fraser, Councillor Jerry Flegel, Councillor Wade Murray, Councillor Barbara Young, Councillor John Findura*

Map of Electoral Wards



Major Highlights of 2015

Enhancing the city's urban form through intensification and redevelopment of existing built-up areas:

Regina Revitalization Initiative

The Regina Revitalization Initiative (RRI) is the largest redevelopment project in our city's history and will bring neighbourhoods, facilities and people together in ways never before possible. It will create new opportunities for business and investment and bring new life to our city's core with walkable connections between the sites. Ultimately, the project will contribute to the Official Community Plan (OCP) target to increase the density of Regina's population by providing two new sites in the existing city where residential development can occur, reducing the need for greenfield development.

As part of the RRI, the City of Regina is leading the planning and redevelopment of the 17.5 acre (7 ha) Railyard site in the centre of the city, formerly occupied by a railway intermodal facility. Over the next 10-15 years, the Railyard site will be transformed into a vibrant mixed-use area that complements both Downtown and the Warehouse District. In 2015, the Railyard Renewal Project began intensive planning including public consultations. At these sessions, residents and stakeholders had the opportunity to learn more about the Railyard Renewal Project and share their ideas and aspirations for the future of the site.

By the end of 2015, the Stadium Project was over 60% complete and was on target for substantial completion by August 31, 2016 with full completion in July of 2017. The first Saskatchewan Roughrider game in the new stadium will be played in June 2017.

To date, over 44,500 cubic meters of concrete has been placed within the new stadium. Seating and leg room will be significantly improved over the current stadium. Lighting will be an industry leading LED system, which will improve the spectator and athlete experience while using 75% less energy than traditional sport lighting systems.

Meeting regulatory requirements and industry best practices for design, construction and operation of infrastructure:

Wastewater Treatment Plant Upgrade

The City of Regina had to build an upgraded wastewater treatment plant to meet new environmental regulations. This is one of our largest and most complex capital projects to date. An updated facility is essential so we can:

- Protect public health and our environment
- Improve water quality for downstream residents and businesses
- Meet the needs of our growing population

Construction for the new Wastewater Treatment Plant will cost $181 million, which is $43.5 million lower than budgeted. The P3 Canada Fund approved federal funding for up to 25% of the eligible capital costs. This funding is estimated at approximately $48 million. As a result of an extremely competitive P3 process, the contract for construction and long-term operations and maintenance is $248 million under budget for the 30-year term of the contract, bringing the long-term costs down from $858 million to $611 million.

By the end of 2015, the upgraded Wastewater Treatment Plant was approximately 75% complete. Construction of the new plant and upgrades to the existing plant were on-budget and slightly ahead of schedule.

The new Wastewater Treatment Plant will be substantially complete by December 2016.

Collaborating to contribute to community well-being:

Addressing Capacity Challenges at the Buffalo Pound Water Treatment Plant

In May of 2015, water treatment capacity at the Buffalo Pound Water Treatment Plant was severely hampered by water quality issues in Buffalo Pound Lake. Residents and businesses in Regina were asked to voluntarily reduce water usage and the City's backup wells were put into service.

In the period from May 25 to June 8, when voluntary water restrictions were in place, the community's water use was reduced significantly. This reduction ensured that the water treatment plant was able to meet the City's water needs until a resolution to the capacity issues were identified and implemented.

Regina residents and businesses demonstrated their commitment to community well-being by their willingness to voluntarily reduce the water use.

Ensuring City of Regina services and amenities are financially sustainable:

Resolving Pension Funding Issues

City Council at its October 26, 2015 meeting, approved changes to the Regina Civic Pension Plan which took effect on January 1, 2016.

This decision was the culmination of several years of work involving the City Administration, the Civic Pension and Benefits Committee, the Pension Administrative Board, the Pensions and Disability Administration staff, the actuary and the other employers in the Regina Civic Employees' Superannuation and Benefit Plan and the provincial pension regulator.

All employer and employee groups worked together to create a Pension Plan that is sustainable into the future, protects the pensions of retirees, provides a secure predictable pension for existing employees and is affordable to taxpayers. More information about the final details of the new plan are available at Reginapensions.ca

Contributing to the safety and security of Saskatchewan residents and international refugees:

Supporting Fire Evacuees from Northern Saskatchewan and Syrian Refugees

In late June and early July of 2015, Northern Saskatchewan faced unprecedented forest fire activity. In total, 51 communities in the north declared states of emergency and over 5,000 northern residents were evacuated.

Regina embraced 1,800 evacuees and provided a coordinated response and support system for them which included:

- Housing
- Sports and cultural activities
- Library services
- Entertainment

Late in 2015, the Government of Canada began to fulfill its commitment to provide resettlement for 25,000 Syrian refugees. Since December, Regina has received approximately 450 refugees. The settlement effort has been superbly coordinated by the Regina Open Door Society, supported by a number of other agencies and services, along with a high level of support from residents and businesses. The Open Door Society reports that the vast majority of Syrian refugees have been settled in permanent homes and children have begun schooling.

Regina citizens and organizations once again demonstrated their commitment to the people of the province and from around the world through their hard work and generosity.

Supporting orderly and sustainable long-term growth:

Service Agreement Fee and Development Levy Review

The City of Regina uses Servicing Agreement Fees (SAF) and Development Levies (DL) to fund major infrastructure investments required for new growth and development, as per *The Planning and Development Act, 2007*.

A review of the development charge policy was completed in 2015 and a new SAF/DL policy was approved by Council. This new policy was a foundational step in implementing *Design Regina: The Official Community Plan Bylaw 2013-48* (OCP).

The new policy is consistent with the OCP Community Priorities and goals. In particular, the recommendations are built on the principle that 'growth pays for growth' and those that benefit from a service pay for the service.

The recommendations approved in 2015 will ensure that adequate SAF/DL are charged to more accurately cover the cost of infrastructure that is triggered by development. The SAF/DL policy ensures that growth does not create an unfair financial burden on Regina taxpayers. The approach will decrease the risk to taxpayers to fund SAF/DL deficits should growth of the city slow down.

The new policy has shifted all identified SAF/DL eligible growth-related capital projects to be paid for by developers – either indirectly via SAF/DL or directly, to be paid for by the developer. This shift minimizes the risk to taxpayers and allows for property taxes and utility fees to be focused on operations, maintenance and renewal of existing infrastructure, managing other non-infrastructure programs and services and funding other projects resulting from growth that cannot be charged to SAF/DL as per ***The Planning and Development Act, 2007*** (for example, police and fire stations, libraries, and transit).

The new SAF/DL policy and the related phasing plan approved by Council at the same time, places particular weight on two of the Community Priorities:

- Long Term Financial Viability: The policy strikes a balance between supporting growth and ensuring long term financial viability for the City and the taxpayer.
- Develop Complete Neighbourhoods: Historically Regina has allowed development to occur when and where developers identify a market demand. This has resulted in slow build-out of some neighbourhoods, delaying the development of support services inherent to the concept of 'Complete Neighbourhoods' (e.g. grocery stores and other retail, schools, transit, etc.). Keeping this Community Priority in mind, the new policy focuses development to allow for complete build out. This approach is likely to achieve complete neighbourhoods sooner.

Improving ways of getting around Regina:

Universal Bus Pass

In September 2015, City Council approved the establishment of an agreement between the City of Regina and the University of Regina Students' Union (URSU) for a Universal Bus Pass program (UPass) program. Under the terms of the agreement, the City of Regina pays the upfront costs of purchasing an additional five buses to extend transit service and increase frequency of service. In return, URSU would provide most students with bus passes at reduced cost for the fall and winter semesters (paid for through student fees). These student fees would fully pay for the operating costs of the service extension.

Service expansions are projected to include:

- A new route in the southeast of the city
- Adjustment of the Glencairn/University route for greater service coverage
- Expanded hours on the Harbour Landing/University route in off-peak times
- Increased service hours for the Hillsdale/Walsh Acres route and the University Express during peak times
- Increased late evening service for both the Glencairn/University route and the Harbour Landing/University route

The program will result in improved service to meet the needs of students. But non-student Transit users will also benefit from this expansion.

The start date of the is scheduled for the fall semester of 2016.

The Environment In Which We Work

Community Profile

From its humble beginnings as a small prairie trading centre serving a mostly rural population at the turn of the 20th century, Regina has evolved into a bustling urban community with a robust economy envied across Canada.

Today, Saskatchewan's capital has a population of 223,000 and serves a larger metropolitan area of 241,000 and it's growing. Between 2011 and the end of 2015, the city's population increased by nearly 30,000 or 15.4%. Regina's population is expected to hit 300,000 in just 25 years. Many of those newcomers are expected to be recently-landed immigrants.

Regina has primarily a resource-based economy featuring the oil and gas, potash and agricultural sectors. Companies, such as the Co-op Refinery Complex (CRC), the world's first cooperatively-owned refinery; EVRAZ, a vertically-integrated steel, mining and vanadium business; and Viterra, a leading grain and oilseeds marketer and handler, all call Regina home.

The city also boasts the headquarters of provincial Crown utilities SaskEnergy, SaskPower and SaskTel.

In recent years, one of Regina's economic strengths has been the increasing diversification into sectors such as banking and finance, computer and information technology, manufacturing and telecommunications. Combined, they all play a part in having created one of Canada's strongest economies over the last five years, featuring strong growth in gross domestic product (GDP), low unemployment and rising personal income levels.

While the intense pace of Regina's growth of recent years has levelled off in 2015, the city's economic prospects remain comparatively strong (Figure 1).

Economic Indicators	2013	2014	2015	2016f	2017f	2018f	2019f	2020f
Real GDP at basic prices (2007 $ millions)	13,608	14,113	14,075	14,235	14,591	14,917	15,253	15,667
percentage change	*6.1*	*3.7*	*-.03*	*1.1*	2.5	2.2	2.3	2.7
Total employment (000s)	136	137	138	138	138	141	143	145
percentage change	6.2	0.4	1.0	0.0	*0.2*	1.9	1.5	1.5
Unemployment rate (per cent)	3.8	3.7	4.4	4.9	4.7	4.6	4.6	4.6
Personal Income per capita ($)	51,853	51,922	52,931	52,877	53,189	54,430	55,698	57,026
percentage change	5.0	0.1	1.9	-0.1	0.6	2.3	2.3	2.4
Population (000s)	231	238	243	248	254	259	264	270
percentage change	2.8	2.8	2.3	2.1	2.2	2.1	2.1	*2.0*
Total housing starts	3,122	2,223	1,597	1,360	1,259	1,328	1,405	1,525
Retail sales ($ millions)	5,275	5.591	5,500	5,560	5,662	5.845	6,058	6,281
percentage change	5.9	6.0	-1.6	1.1	1.8	3.2	3.7	3.7
CPI (2002=1.0)	1,267	1,297	1,315	1,338	1,366	1,394	1,425	1,455
percentage change	1.7	2.3	1.4	1.7	2.1	2.1	2.2	2.1

f=forecast

Sources: Statistics Canada; CMHC Housing Time Series Database; the Conference Board of Canada

FIGURE 1: CONFERENCE BOARD OF CANADA WINTER 2016 METROPOLITAN OUTLOOK

One of Regina's economic highlights in 2015, even with the levelling of the economy, was the construction sector, where building permits grew over 2014 levels (Figure 2).

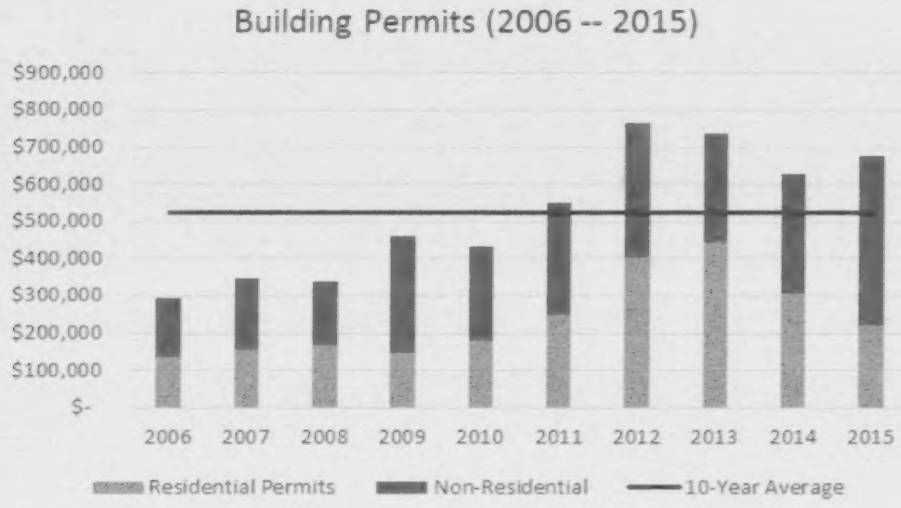


FIGURE 2: BUILDING PERMIT ACTIVITY (2006-2015)

As an economic centre in Saskatchewan, Regina's success affects and is affected by Saskatchewan's economy. The city, with its amenities and services, provides an attractive place to live and work, which supports and drives economic growth in the province. Regina is a key service centre for industries outside the city such as oil and gas, agriculture and potash.

A 2006 report from the Conference Board of Canada found that urban economies drove the economic success of the surrounding areas. In 2014, Regina and Saskatoon accounted for more than half (54%) of Saskatchewan's gross domestic product (GDP). Regina has consistently out-performed the province in terms of economic measures.

Demographics		
Regina		Saskatchewan
223,000	**Population** Year end, 2015	1,130,537
15.4%	**Population Growth Rate** % change 2011 Census – April 2015	9.4%
11.5%	**Visible Minority Population** 2011 Census	6.3%
2:1	**Working Age Population** as a Ratio of non-Working Age Population 2011 Census	1.7:1
51.5%	**Post-secondary education**as % of Population 2011 Census	47.2%
Local Economy		
Regina		Saskatchewan
4.1%	**Unemployment Rate** in December 2015	5.5%
$91,200	**Median Household Income** in July 2012	$80,010
Employment by Sector		
Regina		Saskatchewan
20 %	Industrial	29%
28%	Office	19%
4%	Transportation & Warehousing	5%
13%	Wholesale & Retail Trade	12%
20%	Non-commercial services	20%

FIGURE 3: COMPARISON OF REGINA TO SASKATCHEWAN ON KEY INDICATORS

Organization Profile

The City of Regina delivers the majority of essential public services which affects the day-to-day lives of its residents. These services include:

- Public safety and security
  - Policing
  - Fire protection
  - Construction permitting and inspection
  - Bylaw enforcement
- Public health and well-being
  - Water treatment and distribution
  - Drainage and flood management
  - Wastewater collection and treatment
- Movement of goods and people
  - Roads and bridges (including winter road maintenance)
  - Transit
  - Traffic control
- Quality of life
  - Urban planning and development oversight
  - Parks
  - Recreation services (including a wide range of indoor and outdoor public facilities)
  - Grants to community service organizations

The City is able to provide these services thanks to a range of revenue sources. While about half of its revenue comes from property taxes, the City also charges user fees, secures grants from other levels of government and collects revenues from a variety of other sources.

The City delivers its services in a variety of ways, led by approximately 2,500 permanent employees and the equivalent of another 330 full-time positions made up of casual and part-time workers. Many services, such as sport, culture and recreation programs, are delivered in partnership with community organizations. Others, such as paratransit and wastewater treatment, are delivered through contracts with private businesses.

The City's organization structure is designed to strengthen corporate planning and coordinated service delivery across all service areas. All citizen-facing operational services of the organization report through a single structure to ensure planning and decision making is coordinated and aligned and the accountability for results is clear (Figure 4).

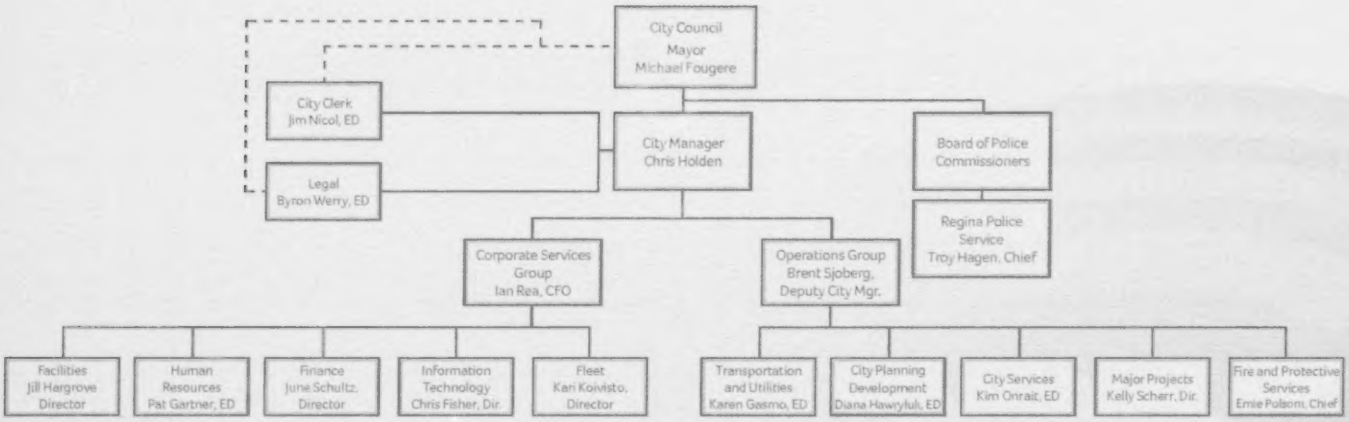


FIGURE 4: CITY OF REGINA ORGANIZATION STRUCTURE (2015)

Strategic Context

Saskatchewan has enjoyed a prolonged period of economic growth. The thriving provincial economy and low unemployment rate have both boosted salary expectations and supported a flourishing service industry. However, in 2015, initiated by a stark drop in international oil prices, the province's economy has begun to show signs of slowing.

Issues that were front and centre when the economy was booming have been tempered. For example, apartment vacancy which was below 1% just a few years ago has increased to above the City's target level of 3%. The unemployment rate, which was as low as 3% just a year ago, created challenges for the City to recruit skilled tradespeople. This issue has recently moderated, with the unemployment rate rising to 3.8% by the end of 2015 and recruitment and retention has improved. However, even with the increased flexibility in the labour force, Regina continues to have one of the lowest unemployment rates in the country and demand for workers remains high.

As the economy cools, public expectations to manage the cost of municipal government will increase.

Growth Management

The robust economy of the past decade, while of great benefit to the community, created significant pressures for the City of Regina. Revenues are growing as a result of growth, however, not as quickly as costs. The City of Regina has needed to consider how to improve revenue growth and reduce costs. A key element of this effort has been to develop policies, incentives and programs to improve the population density of the community. If some of the new population coming to Regina can be accommodated without building new roads, sidewalks and other infrastructure, costs can be managed more effectively.

However, improved density is only part of the answer. In some cases, only new infrastructure can address the service requirements of a growing population. In the 1970s, the last time the city saw a significant growth period, new system infrastructure was built that could handle servicing a growing population. That excess system capacity (e.g. for things like water pressure) has now been used up and significant new investment will be required for Regina to service new growth areas.

Regina is also facing demands because of the growing population in communities surrounding the city. The number of non-residents who use City's services but don't contribute to the tax base is increasing. The City has continued to work with its partners in the region, to identify innovative ways to jointly plan and deliver services.

Asset Renewal and Financial Viability

One of the Community Priorities which emerged from the *Design Regina: The Official Community Plan* process was to ensure Regina's long-term financial viability. Of key concern to the community was the historic pattern the City had taken to manage perceived affordability of property taxes. This typically involved deferring investments in the renewal of assets and infrastructure to keep property taxes low. Residents recognized that two decades of this practice has created a backlog of necessary infrastructure renewal. This includes the renewal of residential streets, recreation facilities and other buildings in which the City conducts its business.

If left unresolved, this backlog will not only have a crippling effect on the City's ability to maintain service levels and meet spending requirements for repair and maintenance, but it will also reduce its economic competitiveness. The City has started developing strategies to address this which includes developing long-term asset management plans.

But the issue is complex. Typically asset management plans have been based on replacing or renewing assets to provide the same level of service. As Regina grows, it will also have to consider that demographics and resulting public expectations are changing and service requirements are evolving. No longer are we in an environment where infrastructure renewal simply means replacing "like with like." Infrastructure plans and decisions will need to be based on an evaluation of future program and service needs.

The issue of infrastructure renewal is compounded for the City's water and wastewater Utility as a consequence of regulatory and climate changes. The City of Regina is committed to protecting the environment and meeting its regulatory requirements. The Utility's immediate regulatory challenge comes from the combined changes in provincial and federal regulations. These changes have necessitated significant capital investment in the Wastewater Treatment Plant to meet operating permit requirements and protect downstream water bodies. Significant investment has also been provided to reduce the risk of sewage bypass, which has occurred when unusual storm events push the drainage system beyond its capacity. These types of storm events are becoming more frequent. Finally, climate change has also affected conditions in Buffalo Pound Lake, Regina's water source. These conditions have led to a need to adjust water treatment processes and may result in the need to renew treatment infrastructure earlier than planned. This issue is currently being studied by the Buffalo Pound Water Treatment Plant.

Employee Engagement and Retention

The reality is that the delivery of services to Regina residents is dependent on people. More than half of the City of Regina budget is spent on employee salaries – people who, for example, drive buses, pick up garbage, suppress fires, pave roads, clear snow and teach swimming lessons. The City is dependent on the skills and commitment of its employees to meet residents' expectations.

The economic strength the community has seen in recent years has affected the City of Regina's ability to recruit and retain highly skilled and qualified employees. Salary demands increased, particularly for skilled tradespeople, because of the labour market competition for employees and these demands were not always affordable for the City. While the demand has eased somewhat as the economy cools, the unemployment rate remains one of the lowest in Canada, therefore, issues still occur in some occupational categories.

Complicating employee recruitment and retention is the fact that City of Regina employees are aging. Indeed, one-third of the City's workforce is eligible to retire in the next six years. When considered in the context of an already competitive labour market, the City will be challenged to maintain service levels in the coming years without proactive strategies to improve our ability to recruit, retain, and develop employees with the necessary skills. Fortunately, not all people who are eligible to retire do retire. Until now and likely into the near term, the City has been able to sustain services and service levels in a competitive labour force environment because many employees choose to remain in the workforce. While this trend eases the challenge of recruitment and retention, it also elevates the risk as the number of employees eligible to retire increases each year. To begin to address this risk, the City has implemented various initiatives including training to develop future leaders and succession management across the organization.

Citizen Engagement

The City has not always done a good job of ensuring residents understand the role of the City, what services it delivers and how those services are paid for. As the City works to advance major issues, such as asset management and long-term financial viability, it will be essential to engage residents in a discussion of priorities and affordability. The City has spent 2015 readying for such engagement by developing information that can be used by residents to assess their priorities.

An important aspect of the City's response to this necessary engagement is reflected in its new membership with the Ontario Municipal Benchmarking Initiative (OMBI). This is a Canada-wide network of municipalities which have agreed to jointly define and cost municipal services and compare performance using standard indicators. The results will provide important context for discussions about the City of Regina's performance and should help build trust and confidence with residents.

Key Risks Facing the City of Regina

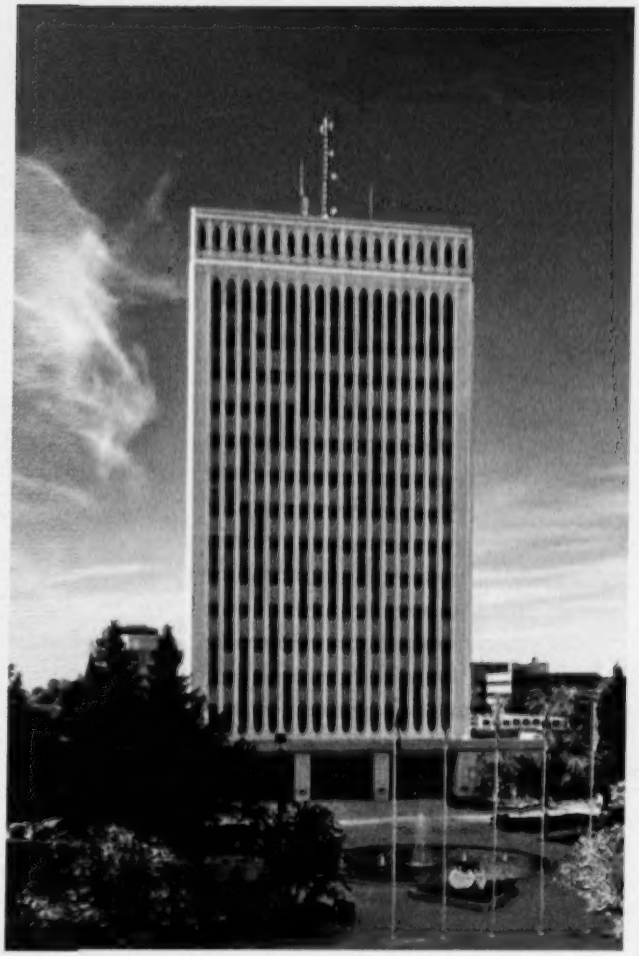
There are a number of risks that, if realized, could affect the City's ability to sustain current service levels. Two risks with potentially significant impacts are:

- **Asset condition:** In the absence of thorough asset condition information, there is a risk that one or more assets could deteriorate or even fail, resulting in an interruption or reduction in service levels to citizens.

  The development of good asset condition information and plans to address asset weaknesses is a priority for the City. This was a focus of activity in 2015 and will continue.

- **Succession Planning:** In this current economic environment of low unemployment and rising incomes, the City is poorly positioned to compete in the labour market. Indeed, the City is already experiencing difficulty recruiting for key positions. As mentioned previously, this issue is further complicated by the fact that one-third of the City's workforce is eligible to retire in the next six years. Not only will the City need to recruit replacement workers, it will also lose significant experience and service knowledge.

A key element of the City's strategic plan to deal with the recruitment and retention of employees will include strategies to ensure they have the knowledge, skills and abilities to meet the service expectations of Regina residents.



Planning Our Future

Design Regina: The Official Community Plan

At the culmination of a four-year planning process, the City adopted *Design Regina: The Official Community Plan* (OCP) in 2013. Traditionally, Regina's OCP has served primarily as a land use plan. In addition, the OCP includes broad social, economic, environmental, cultural and other important policy goals. These goals were established in response to eight Community Priorities which expand upon the City's Vision and articulate what the City and the community wish to achieve together. The Community Priorities and resulting policy goals are intended to be achieved as Regina grows to 300,000 people.

The OCP directs growth and change in the community over a 25-year period. The development process included extensive public and stakeholder engagement in creating a plan to address the community's priorities. The resulting plan presents a bold vision for what a Regina of 300,000 people will offer residents and visitors. Achieving the full scope of the OCP will take leadership on the part of City Council and Administration and require action from other business and industry stakeholders as well as the community at large.

Overview of the Plan

The OCP is the City's highest order plan and the basis upon which other policies and plans will be developed.

The city-wide plan of the OCP consists of three major components: a set of financial policies which establish a framework for ensuring the long-term financial sustainability of the City; a growth plan that directs where and how growth will occur; and citywide policy sections that speak to various topics directly and indirectly related to the growth plan.

The OCP was developed with several subordinate plans of which many are complete or in development. Those subordinate plans are not typically referenced, but they remain the mechanisms through which the OCP will be realized. Such documents as the Open Space Management Strategy, the Urban Forest Management Strategy and the Recreation Facility Plan will continue to guide the City and will respond to the goals and policies of the OCP. Future updates to those documents will be based on the OCP, as will development of new strategies and plans.

Plan Outcomes

The OCP will be implemented over the next 20-30 years and is intended to result in the following changes, organized by Community Priority:

Develop complete neighbourhoods

- New neighbourhoods and revitalized existing neighbourhoods that provide:
  - Multiple transportation options, including roads and express transit, cycling, and pedestrian routes;
  - A variety of housing types and sizes; and
  - Easy access to the daily life necessities, such as shopping, employment, parks.
- Connected community destinations, such as activity centres and parks, to enable walking, cycling and other active ways of getting around.

Embrace built heritage and invest in arts, culture, sports and recreation

- Recreational programming and spaces that address the changing needs of the community;
- Protection of existing neighbourhood character while also providing opportunities for new housing options;
- Improved civic identity and pride with increased focus on traditions, historic places, and stories; and
- Increased awareness and encouragement of cultural activities, places and their value.

Support the availability of diverse housing options

- Increased housing supply;
- Improved diversity of housing throughout the city;
- Availability of additional housing options including family-sized rental units, compact "micro-apartments", and housing for those with specific-needs; and
- Renewal of housing to revitalize existing neighbourhoods.

Create better, more active ways of getting around

- Expansion of on and off-street pathways;
- Increased use of transit and carpooling, as well as walking, cycling, and other active modes of transportation;
- A transit system that features more express buses and/or additional buses on existing routes, and consideration of a future rapid transit system; and
- Improved winter road maintenance to address the needs of seniors and people with disabilities.

Promote conservation, stewardship, and environmental sustainability

- Become a resilient city through greater energy efficiency, reduction of greenhouse gas emissions, green building design, access to locally produced food, and diverse sources of power and energy;
- Enhanced green space, urban forests, and tree canopy; and
- Improved protection of our urban natural spaces and species, including water bodies, parks and wildlife.

Achieve long-term financial viability

- Growth in new areas as well as development within the existing city;
- Improved use of existing roads, pipes, and other City infrastructure in the provision of water, collection and management of solid waste, management of storm water, etc.;
- New and existing developments contribute fairly to the cost of new and existing City facilities and services;
- Seek new and innovative tools and methods for financing the construction and maintenance of infrastructure; and
- Introduction of financial policies to guide the implementation of the plan and its policies.

Foster economic prosperity

- A thriving city centre that is supported by better transportation connections between downtown, surrounding neighbourhoods, and the new stadium;
- Coordinated commercial and industrial development within the city and the broader region;
- Create a more beautiful city through better design of neighbourhoods, public spaces, and buildings;
- Better solutions for worker housing; and
- A more diverse and sustainable economy.

Optimize regional cooperation

- Collaboration with neighbouring communities to explore opportunities for shared services, such as infrastructure, recreational programs, etc.;
- A transportation system that links to the broader region; and
- Proactive planning with the Rural Municipality of Sherwood for a city population of 500,000, focusing on areas of mutual strength and benefit.

Strategic Plan

Planning is the way organizations and businesses identify what they are going to do to move from their current state to their desired future state. The journey towards achieving the Vision and Community Priorities will be paced over 25 years, and approached as a marathon, not a sprint.

The OCP provides the City the opportunity to respond to both the current circumstances the City is facing and the desired future and policy goals outlined in the OCP. In 2014, the City launched its first four-year strategic plan since the approval of the OCP. That strategic plan is intended to ***Build the Foundation*** (the title of the plan) for the delivery of the OCP in the future. Each four-year Strategic Plan after that will build on this foundation, reflecting the integrated sets of choices that will drive the implementation of the OCP and the achievement of the Vision and Community Priorities.

The 2014-17 Strategic Plan, ***Building the Foundation***, is primarily focused on establishing a solid basis from which to grow Regina in the future. It targets activities that will establish a solid financial foundation and appropriate policies so that the far-reaching objectives of the OCP can be achieved. The focus of the four-year strategic plan is:

> ***The City of Regina will operate from a position of strength to achieve the Design Regina Community Priorities. The City will be recognized, in particular, for its long term financial sustainability strategy and its increased ability to deliver innovative services in a fiscally responsible manner.***

FIGURE 5: CITY OF REGINA'S STRATEGIC FOCUS IN BUILDING THE FOUNDATION, THE STRATEGIC PLAN FOR 2014-17

The plan is based on four strategic directions, outlined below:

Direction 1: Manage Growth

The City of Regina will manage growth within the city, collaborate with the surrounding region, and encourage the development of liveable neighbourhoods.

By managing growth, the City will invest to accommodate a growing population without jeopardizing the sustainability of the community as a whole, or access to services by future generations of residents. As directed in the OCP, the City will develop new and enhanced revenue streams; encourage density in the city centre and along major corridors; cascade the overarching policies of the OCP through other guiding documents; and work with regional partners to protect land for growth to a population of 500,000.

Objectives:

1.1 Revenues are optimized to support sustainable growth.

1.2 Renewal of the city is fostered through intensification.

1.3 The City has adopted a policy framework that aligns decision making to the Community Priorities.

1.4 A regional plan and approach to land use and servicing is established.

Direction 2: Improve Financial Viability

Residents of Regina will benefit from the City's increased financial capacity to renew and replace critical infrastructure.

Improving decision making on allocating limited resources, determining the right trade-offs between maintenance, repair and rehabilitation of infrastructure, and ultimately identifying what services are delivered and how, requires better data and analysis than the City historically had at its disposal. Strong models for financial planning and asset management will support the City to make choices within the context of long-term implications.

Objectives:

2.1 A full life-cycle Asset Management approach is being used to support infrastructure renewal decisions.

2.2 The City is optimizing financial capacity and improving the future allocation of resources.

2.3 Decisions about programs and assets reflect future service needs.

Direction 3: Engage and Develop Staff

The City of Regina will create a work environment where employees are engaged and are positive leaders of change for their community.

Employees who are fully involved in and enthusiastic about their work deliver better quality service to residents and seek out opportunities to be innovative, efficient and otherwise demonstrate leadership. They are less likely to leave the City in pursuit of other opportunities, and contribute to a culture that can attract other like-minded employees. The City is committed to fostering engaged and skilled staff by investing in leadership development and structures that support safe workplaces and effective processes.

Objectives:

3.1 Strong and effective leaders are developed at all levels of the organization.

3.2 Our employees receive the supports they need to be safe, efficient and effective.

3.3 Our employees are engaged to support the City's delivery of the Community Priorities.

Direction 4: Engage Citizens

The City of Regina will develop new processes that seek to engage our citizens and responsibly address their evolving needs.

Residents rely on services provided by the City to maintain and enhance their quality of life. The sustainability of those services is not assured, particularly as expectations for new and enhanced services continue to grow, and revenues to pay for them fail to keep pace. To achieve the Vision and Community Priorities developed and affirmed by citizens through the Design Regina public engagement process, the City must continue to engage residents in discussions about their expectations for service. Emphasis must not only be on ensuring efficient approaches for meeting expectations but also on defining reasonable methods for funding services that address both affordability and sustainability concerns.

Objectives:

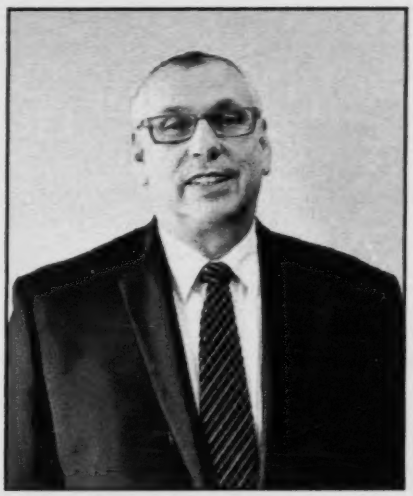
4.1 Reconcile service expectations against the fiscal realities of the City.

4.2 The City is responsive to customers' needs by meeting established Customer Service Standards.

Achieving the OCP requires a complex series of actions and accountabilities. The City's strategic planning process defines components that move from broad application across the organization over a long time period, to increasingly time-bound, shorter term goals that cascade to the level of individual employees. Guided by this process, the City and its employees maintain a focus on where we want to go in the long term as we decide what to do today (Figure 6).

FIGURE 6: CITY OF REGINA'S LONG TERM AND STRATEGIC PLANNING MODEL

A Message from the Chief Financial Officer



The City of Regina's 2015 Annual Report is the culmination of a thoughtful, comprehensive process that includes details about service delivery plans, funding strategies, assessments of the corporation's operating environment and financial condition and measurements of progress. It takes a team of committed staff across the corporation to produce all of the information and analysis required for this process, and I am grateful to the staff who contributed their efforts for this work.

Last December, the City of Regina approved its 2016 Budget. The budget document, Managing Priorities: Doing What Matters Most included information about the environment our operating environment, key risks and our understanding of the costs required to support our programs and services. It is truly a business plan outlining not only our services and how they affect residents of Regina, but also how we are going to fund them.

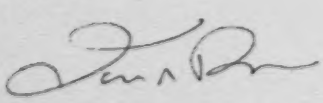
The Annual Report is a bookend to the Budget – the Budget describes the plan and the Annual Report describes the results.

The 2015 Annual Report describes its progress, including an outline of the measurement and reporting framework that the organization is building. It begins the process of meeting our commitment to the public to report our progress on the ***Design Regina: The Official Community Plan*** (OCP). This year, we have reported on the early decisions and actions taken to implement the OCP. We have also reported the first of a number of measures to understand our progress on achieving the Community Priorities.

The Annual Report includes 2015 operational highlights, including our first report on operating performance using benchmarks that will also allow us to compare our performance with other municipalities. This will help inform residents, Council and City Administration about the service levels we provide, how to pay for them and how to identify improvement opportunities that improve services and/or reduce our costs. Over the next three years, the detail and scope of this information will grow until the City is fully reporting on its performance in comparison to a number of other cities in Canada.

The City of Regina is committed to strengthening our planning cycle and the transparency that results from improved public reporting processes. The result will be improved oversight on City of Regina performance and more informed long-term decision-making on behalf of all residents.

Sincerely,



Ian Rea
Chief Financial Officer

Assessing our Performance in 2015

An integral component to the OCP was a commitment to annually report on progress, including the development of a performance measurement framework. The City of Regina is using the planning model, as seen previously in Figure 6, as the basis for measuring and reporting on our performance. We are in the early stages of developing service-specific measures and the intention is to use the Annual Report as the vehicle for reporting results.

At its highest level, the measurement framework we will report in the future is structured according to the following:

Official Community Plan

- Activities and decisions related to the implementation of the OCP
  - Reporting will begin in this Annual Report and is included within.
- Measurement of progress based on the Community Priorities
  - Measures are in development; some preliminary measures that have already been well-established by the City are included, however more public engagement will be required to ensure the emerging measures adequately capture the intentions of the OCP.

Strategic Plan

- Results
  - Reporting on significant activities and results related to the current strategic plan will begin in this Annual Report and are included within.

Operational Performance

- Operational highlights
  - Reporting of operational highlights will continue as has been the practice in past Annual Reports.
- Benchmarking and key performance indicators
  - The City of Regina began a process to measure and report on its operation performance. At the basis of this will be a set of benchmarks that will allow the City to report on its performance in comparison to other municipalities. In addition to benchmarking information, each program area will develop a set of Key Performance Indicators to allow the ongoing monitoring of effectiveness and efficiency.

Official Community Plan Results

Activities and Decisions to Implement the Official Community Plan

The City of Regina took a number of actions and decisions that advanced the OCP in 2015. These are presented and organized by the policy categories within the OCP.

A full listing of all decisions and actions taken to implement the OCP can be found at DesignRegina.ca/OCPImplementation.

Community Priorities

- **Develop complete neighbourhoods:** *Create safe and inclusive neighbourhoods that are easy to get around and that have a mix of housing choices, amenities, and services.* Community input will drive a proactive approach to city planning. The Final Phasing and Financing Plan, developed as part of the Service Agreement Fee and Development Levy policy review, and now a part of the OCP, supports development of complete neighbourhoods by limiting the number of neighbourhoods developing at any one time; this also helps to mediate growth-related impacts on City operations, which reduces risk to service levels and quality of life for existing residents.

- **Create better, more active ways of getting around:** *Make it easier for people of all abilities to travel by investing in public transit in appropriate locations and planning for all active forms of transportation. This includes providing access routes so all people can more easily travel from home to work and to other destinations.* A draft version of the City's first Transportation Master Plan (TMP) was completed in 2015 – a key guiding document that will advance the implementation of the OCP. This plan sets the course for how different modes of transportation are integrated into new and existing areas. The draft TMP contains policies for things, such as bike and pedestrian path design, traffic flow, and roadway design, all in support of the policy goals of the OCP. A new TMP Coordinator position at the City was created to coordinate projects related to implementation of the TMP.

- **Achieve long-term financial viability:** *Spend money wisely to ensure the City's ability to manage its services and amenities both now and in the future. This includes considering the full costs of operating before committing to projects or services and to search out new ways to generate revenue to ensure the City has the financial resources to meet customers' needs.* The City began work in 2015 on the development of a long range financial plan that directly responds to this community priority. The plan will project revenues and expenditures over a 10 to 20 year period and assess our financial viability over that term. It will provide valuable information on what will be needed to support ongoing services, including maintenance of assets to provide those services. Having a long range financial plan allows us to better understand the future ramifications of present-day spending decisions so that the City can plan not just with the short-term in mind but also over the next 20 years.

Financial Policies

- **Policy 1.1** – *Allocate the cost of delivering programs and services based on [...] the benefits model*
    - Cemetery fees were reviewed and as a result, a new three year fee schedule was approved to ensure full cost recovery and financial sustainability to the Cemeteries program and develop new assets required to meet sales demand
    - A Transit fare increase was approved which helps offset the tax supported funding needed to support the public transportation system, the plan runs through to 2017.
    - The City of Regina Snow Storage Site is a City-owned and operated facility accessible free of charge to all users, 24 hours a day during the winter season. Approximately 60 percent of all snow hauled to the site is from commercial and private contractors with the remaining comes from Winter Maintenance activities of the City. In order to align the operations of the snow storage site with the financial principles of the OCP, a pay-per-load fee system based on truck size was proposed. With this new fee structure, the operations of the snow storage site will be supported by its users. It will also still remain accessible to all citizens, and commercial and private contractors for the winter season.

- **Policy 1.4** – *Develop infrastructure in accordance with a phasing and financing plan:* As a follow up to the 'Interim Phasing and Financing Plan', completed in 2014, a full review of the Service Agreement Fee and Development Levy policy was undertaken in 2015. The updated SAF policies put into effect January 1, 2016 reflect the true costs of providing services to new developments and foster financial viability and sustainable growth. The policy allocates the development costs fairly between taxpayers and the developers to ensure that new development will not cause financial burdens to Regina taxpayers.

- **Policy 1.6** – *Make decisions on capital investment based on an understanding of the strategic priorities of the City and overall fiscal limitations.* The Water and Sewer Utility has a long-term financial model that considers a twenty-five year horizon for capital and operational costs to determine financially sustainable rates.

- **Policy 1.20** – *Apply the benefits model to ensure that costs shared with other municipalities and external agencies are paid for on a proportionate basis.* In 2015, Council approved the cost-recovery business model the new Septage Hauling Receiving Station, which was under construction in 2015 and will be operational in 2016. Through this model, customers who use the service will pay fees that recover the capital and operating costs of the facility over its lifecycle.

Growth Plan

- **Policy 2.3** – *Direct at least 30% of new population to existing urban areas as the City's intensification target.*
  - In 2015, approximately 12% of estimated population growth occurred through intensification of existing areas of the city. The City anticipates that the intensification rate will fluctuate from year to year as has been the case in the past. In 2014, there was approximately 26% of growth from intensification while the average over the two years (2014-15) since the OCP was approved was 20%. While the OCP directs a five-year review of the split between greenfield and infill growth this is a measure that the City will continue to monitor closely.
  - The Railyard Renewal Project is important in supporting the intensification strategies in the OCP. This project launched in 2015 with public consultation on its design and vision.

- **Policy 2.6** – *Phase and stage development in accordance with a phasing and financing plan.* As part of the Phasing and Financing Plan, amendments to the OCP approved by City Council in 2015, Regina's growth to 300,000 (300K) will be sequenced by separate phases in accordance with the plan.

- **Policy 2.6** – *Prepare an intensification development strategy.* Work continued on the four-year Intensification Work Plan (IWP) developed in 2014 with the initiation of a pilot project for laneway and garden suites as well as starting the process to draft guidelines for infill development. The guidelines are intended to help provide guidance to homebuilders, designers and developers to increase the compatibility of new housing developed in Regina's existing neighbourhoods.

Regional Context

- **Policy 3.2** – *Work with regional partners to explore strategic planning initiatives, including but not limited to:*
  - **3.2.1** – *An integrated servicing strategy that may include cost-sharing models, corresponding service levels, and performance outcomes for long-term views;*
  - **3.2.5** – *Sharing of knowledge, staff resources, and other measures in support of the above strategies.*
    - In 2014, the Regina and Region Water and Wastewater Study was completed in cooperation with a number of municipalities within the Census Metropolitan Area (CMA). The study was initiated to explore future needs of water and wastewater servicing, with the goal to identify the potential for regional collaboration in the provision of these services. In 2015, the City continued discussions to explore shared servicing opportunities with its regional partners.
    - The City continued to collaborate actively to explore planning initiatives and common interests with the following groups: White Butte Regional Planning Committee (which includes White City, Pilot Butte, Balgonie, Village of Edenwold and the Rural Municipality of Edenwold), Regina Moose Jaw Corridor, Rural Municipality of Sherwood Committee, Global Transportation Hub Authority, and Sakimay First Nation.

- **Policy 3.9** – *The RM of Sherwood and the City will collaborate where possible, particularly on the future of the City's aspirations for urban growth outside the city, and potential future land use conflict inside the city, to clearly define and differentiate future growth and future required urban land contained within the JOINT PLANNING AREA.* The City of Regina and RM of Sherwood agreed to the definition of complementary industrial development. This agreement sets the foundation for future discussions between municipalities regarding servicing Sherwood Industrial Park in the RM north of the city and future discussions of shared services.

Environment

- **Policy 4.7** – *Maintain and continually expand a healthy and diverse urban tree canopy to improve air quality, increase carbon sequestration, reduce heat island effect and enhance the aesthetic character of the city:* In 2015, the City reduced the Urban Forest's pruning cycle by one year after exceeding the department's pruning target by 2000 trees. This effort should improve the health of the tree canopy over the longer term.

Transportation

- **Policy 5.4** – *Establish all-season design and maintenance priorities for roads, sidewalks and pathways to ensure the transportation network provides safe travel, access and mobility:* Beginning in the winter of 2015, the City of Regina cleared sidewalks adjacent to City-owned parks on category 3 and 4 roads. This change to the Winter Road Maintenance Policy adds 26 km of sidewalks to the snow clearing schedule and, in turn, improves accessibility for citizens throughout the winter months.

- **Policy 5.7** – *Proactively and strategically promote walking, cycling, carpooling and transit choices by using City and community-led programs and organizations to provide education and promote awareness.* The OCP has been used to guide the development of operational plans for the new stadium, particularly the draft transportation and parking strategy which places a greater emphasis on active travel modes and transit use for stadium events. The strategy will be considered by Council in 2016.

- **Policy 5.11** –*Enhance transit service in existing neighbourhoods to support continued residential and employment growth,*
  - Implemented bus route changes on Victoria Avenue East to cover more area in the Victoria East area at no additional cost. The changes allowed residents to have more choice in bus routes and made it easier and more convenient to take the bus.
  - Service was introduced on five additional stat holidays that previously did not have any transit service. This allowed another transportation option during holidays. On average there were 3,200 rides given on each holiday.

- The approval of a U-Pass at the University of Regina will require addition routes and enhanced service frequencies to support the increase of students taking the bus. More direct, quicker routes will be implemented to make the service attractive. Around 10,000 students will have a U-Pass and will be able to use the Transit service while going to the University. This will enhance the overall Transit system and the services for residents. Ridership is expected to increase gradually as new users to the Transit system try it for the first time. This will build future generation Transit riders that will form new transportation habits.
- Bus service was introduced in the Hawkstone development to ensure this area had no more than a 400 meter walk to Transit services. Previously the distance was over 1,000 meters. This change connects Hawkstone to the rest of the neighbourhood and allows choice in transportation for the residents in this area.

- **Policy 5.13** –*Maximize the accessibility of the conventional transit system while ensuring the paratransit system meets the needs of those unable to use the conventional system.* In 2015, the City continued its pursuit of an overall action plan with respect to accessible taxicabs, supporting the priorities of sustainable transportation choices and social inclusion. This approach supports Transit Services' plan for reducing Paratransit refusal rates by utilizing taxicabs.

- **Policy 5.20** –*Consider improvements to existing infrastructure before constructing new or expanded roadways.* In 2015, the City of Regina undertook efforts to widen and improve the overall quality of the roadway on Victoria Avenue East between Prince of Wales Drive and Coleman Crescent. Through this project, accessibility and safety were improved and now allow for a more walkable neighbourhood while also improving traffic safety.

- **Policy 5.25** –*Develop an inviting and efficient citywide bikeway network to expand on-street and off-street cycling infrastructure to connect key trip generators and destinations.* In 2015, the City opened an on-street bikeway along Chuka Boulevard in The Greens on Gardiner neighbourhood. There was also a boulevard trail along Parliament Avenue, from Pasqua Street to Lewvan Drive, constructed in 2015.

Infrastructure

- **Policy 6.3** – *Prepare and implement an asset management strategy for infrastructure.* The City is developing master plans for the following asset categories, which will inform related asset management plans:
  - Water
  - Waste Water
  - Facilities

- **Policy 6.4** – *Adopt a continuous improvement framework to address the current infrastructure gap and ensure that future requirements for infrastructure are aligned with the priorities, goals and policies of this Plan:* The Residential Road Renewal Program applies an asset management strategy with dedicated funding, through the 1 percent mill rate, to improve the condition of our residential streets. The Program allocates 10 percent of funding to roads in 'good' condition, 65 percent to roads in 'fair' condition and the remaining 25 percent to roads in 'poor' condition. In 2015, 87 projects improved the condition of a 19.2 km of our residential road network. The 2016 construction season will include approximately 20.8 km of roadway improvements and will continue to increase which will continue to maintain and improve our residential roads overall.

- **Policy 6.6** – *Develop infrastructure plans that will:*
  - Address both short- and long-term growth requirements;
  - Manage the impacts of new development on system-wide services

  The Wastewater Treatment Plant project continued throughout 2015. The development of the new plant supports the environmental objectives of the OCP, improving effluent quality. It also supports the future growth of the community.

- **Policy 6.12** – *Explore waste-to-energy processes whereby waste and waste byproducts of one activity are used as resources for another.* The construction of a waste-to-energy facility began in 2015. Beginning in 2016, this facility will convert landfill gas, a by-product of decomposing waste, into electricity. This electricity will be sold to SaskPower through the Green Options Partners Program.

Land Use and Built Environment

Goal 1 – *Enable the development of complete neighbourhoods.*

- The Final Phasing and Financing Plan, developed as part of the Service Agreement Fee and Development Levy policy review, and now a part of the OCP, supports development of complete neighbourhoods by limiting the number of neighbourhoods developing at any one time; this also helps to mediate growth-related impacts on City operations, which reduces risk to service levels and quality of life for existing residents.
- New neighbourhood developments are required to meet criteria set out in the OCP. The City reviewed several proposals and concept plans in 2015 and is working with developers to ensure OCP criteria are met.

- **Policy 7.1.5** – *A diversity of housing types to support residents from a wide range of economic levels, backgrounds and stages of life, including those with specific needs.* A pilot project for laneway and garden suites was initiated.

- **Policy 7.29** – *Require medium office and major office to locate inside the DOWNTOWN, except where specifically excluded.* Office policies in the OCP are reviewed annually respecting the effectiveness of the office policy and potential impacts the policy may be having on the Regina office market conditions. In 2015, a minor amendment was made to the OCP to allow Council to consider anomalous situations to relocate medium and major office away from potential hazards.

- **Policy 7.35** – *Ensure quality design through preparation of guidelines or regulations for development that has a significant influence on the public realm (e.g. large-format retail, multi-unit residential, and major corridors).* Consultation regarding the creation of Infill housing guidelines commenced. The guidelines are intended to provide guidance to homebuilders, designers and developers to increase the compatibility of new housing developed in Regina's existing neighbourhoods in partial fulfilment of OCP policy 7.35 and policy 2.10.6.

Housing

- **Policy 8.1** – *Support attainable housing in all neighbourhoods through ownership, rental housing and specific needs housing.*
  - The City plays a key role in the federal government's Homelessness Partnering Strategy by providing leadership on the Regina Community Plan on Homelessness and the Community Advisory Board. In 2015, the following was accomplished to support the homeless population:
    - Allocated over $700,000 to organizations for capital projects and to deliver housing and support services;
    - Completed a 'Point-in-Time Count' to identify the needs of the homeless; and
    - Developed a Housing First Model for Regina to be implemented in early 2016.

- **Policy 8.4** – *Establish accessory suite regulations within appropriate residential areas;* and

- **Policy 8.11** – *Encourage developers to provide a greater mix of housing to accommodate households of different incomes, types, stages of life, and abilities in all neighbourhoods.* Laneway and garden suites guidelines were developed to allow the City to test and monitor the development of a limited number of these housing forms in existing neighbourhoods throughout the City, in partial fulfillment of the OCP's 30 % Intensification goal and the Comprehensive Housing Strategy.

- **Policy 8.7** – *Use incentives and alternative approaches to increase the supply of attainable housing, adequate specific needs housing, and innovative housing developments.*
  - The Housing Incentives Policy underwent a complete review and update to reflect current market conditions with prioritization of funding for affordable rental units and non-profit housing providers.
  - Housing incentives tax exemptions were provided for 883 rental units and 142 ownership units for a total municipal investment of $679,622 for new units, and $1,576,918 for new and existing residential tax exemptions in 2015.

- Housing incentives capital grants were committed for 73 affordable rental units and 89 affordable ownership units for a total investment of $2,430,000 in 2015.

- **Policy 8.10** – *Ensure the Condominium Conversion Policy Bylaw is consistent with the policies of this Plan and any strategies related to this Plan.* The Condominium Policy Bylaw, which governs condominium conversions, was revised to address changes in provincial legislation requiring that the impact of a condominium conversion be measured. The revised Bylaw restricts conversions from taking place if the result of the conversion would decrease the rental vacancy rate below 3% at the neighbourhood level.

Parks, Recreation and Open Space

- **Policy 9.1.1** – *The OPEN SPACE SYSTEM will be managed in a comprehensive and environmentally sensitive manner.* The City reviewed and revised the Herbicide Reduction Plan to ensure the long term health of open space assets by managing weeds while reducing herbicide use in parks and open space areas.

- **Policy 9.8** – *Encourage and facilitate partnerships to enable the development of parks and recreation facilities and the establishment of alternative financing.* A private developer partnered with the City of Regina by donating the funds required to construct a spray pad on the site of the Northwest Leisure Centre. The initiative leverages partnerships to expand the services available to residents in the northwest of the City by creating a multifunction destination, increasing the variety of programs and services provided, and increasing access to a wide range of populations.

Culture

Goal 1 – *Enhance quality of life and strengthen community identity and cohesion through supporting cultural development and cultural heritage:* Work continued on the development of Regina's first ever Cultural Plan, a 10 year strategic plan guiding the development of the arts, cultural heritage, cultural industries and inter-culturalism. It will be the primary document that guides our cultural policy decisions in ways consistent with the objectives in the OCP.

- **Policy 10.1** – *Build partnerships and work collaboratively with community groups, other levels of government, and the private and voluntary sectors to encourage cultural development opportunities and conserve HISTORIC PLACES.* The City committed financial support to a bid to host the *2016 Breakout West Awards* and Festival, a celebration of the music industry in Western Canada. This funding was provided in partnership with a number of other partners and resulted in a successful bid for the event.

- **Policy 10.3** – *Identify, evaluate, conserve and protect cultural heritage, HISTORIC PLACES, and cultural resources.* Renewal of Confederation Park on the site of the new Mosaic Stadium was initiated in 2015. Confederation Park is one of the oldest park areas in the City and the renewal project responds to the OCP's direction to conserve historic places.

- **Policy 10.11** – *Leverage and expand funding, financial incentive programs and other means of support to advance cultural development, cultural resources and conservation of HISTORIC PLACES.* City Council approved the Heritage Building Rehabilitation Program which replaced the former Municipal Incentives Policy for the Preservation of Heritage Properties which was adopted in 1991. The new Program provides a tax exemption to owners of municipally designated heritage properties equal to 50% of the costs associated with upgrading heritage character defining and structural elements of the designated buildings for up to a period of 10 years. In 2015, the Development Services Department processed three applications under the new Program including the Viterra Offices at 2006 Albert Street (Former C.W. Sherwood Department Store), the Patton Residence at 2398 Scarth Street, and the Hill Residence Carriage House at 2990 Albert Street for a total investment of $3.3 million over 10 years.

Social Development

- **Policy 13.23** – *Develop an integrated multi-modal transportation system that offers choices to all of Regina's residents regardless of location, income level or ability.*
    - Paratransit initiated an Interactive Voice Response program and piloted the use of taxis to reduce the number of unaccommodated trips.
    - In 2015, the City continued its pursuit of an overall action plan with respect to accessible taxicabs, supporting the priorities of sustainable transportation choices and social inclusion.
    - Introduced an additional eight accessible taxicab licences in 2015, ahead of the original plan of adding four in 2015 and another four in 2016
    - Intent was to make accessible services comparable to regular taxicab services in terms of 24/7 availability and wait times
    - Supports Transit Services plan for reducing Paratransit refusal rates by utilizing taxicabs.
- Two buses were added to the Paratransit fleet to increase capacity by 4,000 hours and increase the amount of service available to those that need it. The trip refusal rate is has been decreasing and more trips are being accommodated.
- A pilot of an accessible bus stop was implemented at the transit hub on 11th Avenue. This initiative was supported by the installation of heated and lit bus shelters along 11th Avenue.

Realizing the Plan

- **Goal 7** – Ensure that the Zoning Bylaw facilitates development in accordance with the goals and policies of this Plan.

Performance Measurement of the Official Community Plan

As described above, work is underway to develop a measurement framework to better understand the City's progress in implementing the Official Community Plan.

The current strategic focus of the City is long-term financial sustainability. The foundation is a necessary first step to achieving the vision outlined in the OCP. This focus is directly responsive to the Community Priority, Long Term Financial Viability. To begin that work, in 2015 the City developed a policy framework to guide the organization to financial viability.

Financial Policies Framework

In anticipation of the development of the City's long-range financial plan, a financial policy framework was developed in 2015. For more detail on the framework documents, see the City of Regina 2016 Budget. The framework sets out principles and benchmarks to help guide administration in making recommendations to Council on decisions related to financial planning and oversight at the City of Regina. There are 12 key policies in this framework:

1) Growth and Development
2) Strategic Initiatives and Enhancements
3) Debt
4) Investments
5) Budgeting
6) Revenues – User Fees and Service Charges
7) Revenues – Property Taxation
8) Revenues – Non Recurring Revenues
9) Program & Services Review
10) Reserve Fund Management
11) Capital Project Financial Control Policy

The City will use this policy framework to regularly assess whether decisions contribute to, or detract from, the ultimate goal of strengthening the City's financial condition. The goal is to ensure the City has the financial capacity to meet the needs of the community, now and in the future.

Measuring Financial Viability

The first performance measures that are reported are those measures which the City has been tracking and reporting previously, Financial Condition Indicators.

The Public Sector Accounting Board (PSAB) issued a Statement of Recommended Practice for governments that supports discussions about a government's financial condition. This financial condition is reflected in the overall economic and financial environment, the City's ability to meet service commitments to the public, as well as financial obligations to creditors, employees and others. It takes into account sustainability, flexibility and vulnerability.

Sustainability

Sustainability is the degree to which a government can maintain existing programs and meet existing creditor requirements without increasing the relative debt or tax burden on the economy.

The City's sustainability is generally following a positive trend (Figure 7). The ratio of financial assets, including liquid financial assets, such as investments or cash to liabilities, is increasing. A number of large infrastructure renewal projects currently underway have resulted in an increase in overall debt levels but this is consistent with the approved plan.

The effect of relying on debt financing for capital projects is highlighted by the "total debt per household" indicator. It is important to note, however, that this is not an estimate of how much each household must contribute to debt repayment. It is merely a way of describing the City's debt relative to the size of the community.

Sustainability Indicators	2009	2010	2011	2012	2013	2014	2015	2016 Budget
Ratio of Financial Assets to Liabilities	1.07	1.11	1.25	1.30	1.41	1.10	0.88	n/a
Ratio of Assets to Liabilities	4.45	5.22	5.97	5.90	6.7	3.95	4.08	n/a
Ratio of Net Debt to Total Revenue	0.22	0.21	0.18	0.15	0.13	0.34	0.41	0.34
Total Debt Per Household	$1,425	$1,314	$1,092	$958	$883	$2,546	$2,975	$2,667

FIGURE 7: CITY OF REGINA'S SUSTAINABILITY INDICATORS
NOTE THAT DATA REGARDING THE RATIO OF FINANCIAL ASSETS TO LIABILITIES AND ASSETS TO LIABILITIES IS NOT YET AVAILABLE FOR 2016.

Flexibility

Flexibility is the degree to which the City can increase its financial resources to respond to rising commitments by either expanding its revenues or increasing its debt burden. Figure 8 shows three indicators of flexibility which reveal that the City is maintaining a stable level of flexibility.

As the data in the following table shows, municipal taxes as a share of household income have been increasing for the past five years, although it's still considered to be at an affordable level for the residents of Regina. The overall ratio of municipal revenues to taxable assessment has remained relatively stable and while the level of debt grew in 2015, debt charges to total revenue, which shows the proportion of total revenue required to pay interest charges on debt, remained stable.

Flexibility Indicators	2009	2010	2011	2012	2013	2014	2015	2016 Budget
Ratio of Debt Charges to Total Revenue	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Municipal Taxes as per cent of Household Income	2.09%	2.14%	2.22%	2.25%	2.36%	2.66%	2.75%	2.45%
Ratio of Total Municipal Revenue to Taxable Assessment	0.04	0.04	0.04	0.04	0.04	0.03	0.03	0.03

FIGURE 8: THE CITY OF REGINA'S FLEXIBILITY INDICATORS

Vulnerability

This is the degree to which a government is dependent on and therefore vulnerable to, sources of funding outside of its control. The risk of relying on external funding sources is that the City does not directly control or influence either the amount or timing of such revenues.

Vulnerability is measured by calculating the ratio of revenues from senior governments to the City's own-source revenues. The City has decreased its reliance on funding from other level of government over the last number of years, including federal and provincial gas tax revenues. This has resulted in reducing Regina's vulnerability, making it relatively low (Figure 9).

Vulnerability Indicator	2009	2010	2011	2012	2013	2014	2015	2016 Budget
Ratio of Government Transfers to Total Revenue	0.25	0.20	0.14	0.14	0.13	0.13	0.13	0.13

FIGURE 9: CITY OF REGINA'S VULNERABILITY INDICATOR

Credit Rating

A credit rating is a forward-looking opinion provided by an arm's-length organization, such as Standard & Poor's Rating Services, about a borrower's overall creditworthiness. It focuses on the borrower's capacity and willingness to meet its financial commitments as they come due. The credit rating also influences the interest rate to be paid when borrowing.

Standard & Poor's undertakes a detailed analysis of the borrower's financial condition, using a robust set of criteria, and updates it annually. The City of Regina's credit rating by Standard & Poor's for 2015 was **AA+ (Stable)**. Regina has received this rating since its first one was issued in 1989. According to Standard & Poor's, this consistently strong performance reflects the City's ongoing commitment to sound fiscal management. In its assessment, Standard & Poor's said, "Regina's forecast debt burden is moderately high but management under this plan."

Strategic Plan Results

The City of Regina's Strategic Plan attempts to accomplish two things:

1. Advance the long-term achievement of the Official Community Plan.
2. Address issues, risks and opportunities in the shorter term which will ultimately affect the City's capacity to achieve the OCP.

Many of the 2015 decisions and actions related to the achievement of the OCP which have been reported above, directly flow from the City's strategic plan. What follows is a report of activities which are either underway or more internally focused:

Manage Growth:

A number of guiding documents that establish the policy, which define how services are provided at the City of Regina, have been reviewed to ensure they are aligned with the policies in the OCP. This work will continue over the next three years. To date, the following policies have been reviewed:

- Service Agreement Fee and Development Levy Policy
- Housing Incentives Policy
- Neighbourhood Road Renewal Program

Improve Financial Viability

The City of Regina is moving toward implementing full life-cycle asset management across all asset categories. The organization is moving forward to develop first generation asset management plans in seven asset categories by the end of 2017.

As part of the strategic plan, the City of Regina continued work to develop a long-term financial plan, which should be complete in 2016. Steps in this long-term plan include the following work:

- Development of first generation asset management plans
- Establishing a plan to implement Service Agreement Fees and/or Development Levies for infill development
- Introduction of new financial software that has the ability to provide predictive modeling and improved decision support
- Renewal and finalization of the City's financial policy framework

As this work is finalized, it will be knitted together to create a multi-year financial plan to better allow the City to plan its resource requirements and make informed decisions.

Engage and Develop Staff

The City of Regina is facing a risk to the delivery of service because of impending retirements that could potentially see the City lose up to one-third of its employees in the next six years. In response to this issue, the City started work to improve the work environment and make it more attractive to current and new employees. This includes:

- Each branch and department was required to identify activities to improve the engagement of their employees in the work place. Activities ranged from increasing the number of team meetings to the availability of professional development.
- There has been a City-wide emphasis on workplace safety which has reduced time-lost injuries by 47% since 2011, with the biggest gains coming in 2014. Improvements were retained throughout 2015 and consideration is being given to expanding the program to see further benefits.
- The City, in partnership with the University of Regina, began delivering a City-specific program to support leaders so they have the skills to create a positive and productive work place. In 2015, two groups of 24 individuals each began the training program.
- The City of Regina started delivery of the new Management Skills Series, an internal certificate program for both current and aspiring leaders in the organization. Tactical in nature, it provides learning modules to support leaders with practical knowledge, best practice information and City-specific process and tools in eight learning modules. These modules include: safety management, project management, communication, strategy and risk management, change management, performance management, workforce management, and financial management.

Engage Citizens

- The City joined the Ontario Municipal Benchmarking Initiative (OMBI) to improve its ability to report its effectiveness and efficiency to citizens. The benchmarking system will allow the City to compare its performance including the cost of its service delivery with other municipalities in Canada.

Operational Performance Measurement

Performance Measurement

In 2014, the City of Regina made a decision to improve its capacity to measure and report on its operational performance. In 2015, the City identified a municipal benchmarking partnership that it wanted to participate in. The partnership will allow the City to compare its performance to that of other municipalities across a standard bundle of services. Through Ontario Municipal Benchmarking Initiative (OMBI), formal reporting on our performance will begin in 2016 for the first 12 service areas. Over the next three years, the City will launch performance reporting incrementally until we report on all 27 services that align with the OMBI framework. Below are some early results where they are applicable, using 2014 data.

> The results of the comparative benchmarks will be available to help citizens, Council and staff to understand the relative performance of City services when compared to those of other cities.

Operational Highlights

While the Official Community Plan and the Strategic Plan guide the changes and improvements the City of Regina wants to make over time, most of the City's effort goes into delivering day-to-day service to residents. What follows is an overview of the highlights and accomplishments of the City in 2015. Included in each section are the selection of OMBI performance measures which were collected for 2014.

To understand the City's performance it is important to review the **influencing factors** for each set of measures, which are cited below. These influencing factors will affect a municipality's performance and should be considered when reviewing results. The factors are diverse, but generally fall into one of the following categories:

- Choices about the service level being provided
- Environmental conditions (e.g. weather, soil type, etc.)
- Economic conditions (e.g. labour market, goods and material cost, etc.)

Details on the influencing factors for each service with performance results reported can be found in Appendix A.

Data are presented below using the following legend:

- OMBI Lowest Performance:
- OMBI Highest Performance:
- City of Regina Performance:

In the above legend, lowest performance is intended to mean performance that is counter to the desired direction. This may mean a higher value (e.g. a higher cost per capita). Highest performance is intended to mean performance that is in line with the desired direction. Similarly, this may mean a lower value (e.g. a lower cost per capita). There are some measures reported where higher and lower performance are not meaningful from a "desired/not desired" perspective. In these cases, the legend simply uses the higher value as the indicator of "higher performance."

Consistent with the contributing factors discussed above, lower performance and higher performance may be the consequence of factors outside of the City's control or choices the City has made based on priorities identified in the community. Over time, by monitoring the data, we have a way of examining and testing these choices and refining our understanding of what the community expects.

Building Permits and Inspections

- The City of Regina issued 3,504 building permits, which was a 7% increase over 2014. The total construction value of the permits was $675 million, which was also a 7% increase over the previous year. While 2015 was a record year in terms of the number of building permits issued, the value of permits peaked in 2012 at $775 million.
- **Selected 2014 OMBI Results**

# of building permits issued

# of new residential dwellings per 100,000 population

Bylaw Enforcement

- Responded to 7,599 bylaw enforcement services requests (excluding parking).
- **Selected 2014 OMBI Results**

# of paid parking spaces managed per 100,000 population

Gross parking revenue per paid parking space

Culture, Sport & Recreation

- Through the allocation of $3.4 million, the Community Investment Grants Program supported the core operating and programming of 20 cultural, sport and recreation, social development organizations and further allocated 230 separate grants, ranging in amount from $500 to $30,000 for first time and recurring events, programs and services in the community.
- City Council approved to support the 2016 Breakout West Awards and Festival taking place in September. The event is a three-day celebration of Western Canadian music, which includes professional development opportunities for musicians, several smaller shows and the main awards show and concert. Providing funding for this event supports the Culture section of Design Regina. Specifically, policy 10.11 in 'leverage and expand funding, financial incentive programs and other means of support to advance cultural development, cultural resources'. Also, in the Land Use and Built Environment section, specifically policy 7.7.5, stating 'Supporting historic places, cultural and civic resources and events'. The festival will provide professional development opportunities for artists while enlivening our community.
- **Selected 2014 OMBI Results**

Culture

Arts grants per capita

Sport and Recreation

# of participant visits per capita

Overall participant capacity for directly provided registered programs per capita

Utilization rate for directly provided registered programs

Fire

- The Fire Department responded to more than 6,900 emergent and non-emergent incidents in the protection of life, property and the environment.
- The Department maintained its International Fire Accreditation. This accreditation is held by only seven fire departments in Canada and demonstrates performance to high international standards.
- There were four occasions where the Emergency Operations Centre was activated: Buffalo Pound Water Shortage, Northern Saskatchewan Fire Evacuees, Heavy Rainfall event and Syrian Refugee Planning.
- **Selected 2014 OMBI Results**

Number of staffed fire in-service vehicle hours per capita

Actual 90th percentile fire station notification response time (min:sec)

Number of residential structural fires with losses per 1,000 households

General Government

- The City's Open Government Program enhanced the capacity and functionality of its self-serve data portal in 2015. The number of posted datasets increased to 79, of which, 19 provided data for public analysis and use and 60 were information of public interest.
- Access to Information requests are tracked as "formal" or "informal" requests. In 2015, 56 formal and 24 informal requests were received and processed.
- The City achieved 100% compliance with the defined 30-day or 60-day extension timelines for responding to Access to Information Requests. Conduct is outlined in The Local Authority Freedom of Information and Protection of Privacy Act and the Act applies to all local authorities.
- The Citizen Satisfaction Survey was reintroduced to gain insights into resident's perceptions about the programs and services they receive from the City. In fall 2015, 796 telephone interviews were conducted with a randomly-selected representative sample of Regina residents aged 18 years or older. The last Survey was conducted in 2012.
- **Selected 2014 OMBI Results**

# of formal Freedom of Information requests per 100,000 population

Corporate Services

- In 2015, the Worker's Compensation Board received a substantial financial return which was then passed on to its clients. As a result of our continued improvements on workplace safety and the reduction of time loss related incidents, the City of Regina received a rebate of approximately $1.13 million.
- The Human Resources department implemented a new human resources management system to replace a 15-year-old software system and a 25-year-old, mostly manual, time and attendance process. The new system provides more accurate information and is more efficient due to its largely automated process. For example, the system includes all rules from the various collective bargaining agreements and eliminates the possibility for misinterpretation and human error. This type of automation helps improve the accuracy of time, attendance and employee pay.
- The Aboriginal City Employees group (ACE) held its third annual National Aboriginal Day celebration. The employee group represented employees and the organization at various events including the North American Indigenous Games, career fairs and volunteer programs.

- The department completed its Five-Year Transit and Fire Fleet Funding Sustainability and Equipment Modernization Plan, which establishes stable funding to support the long-term renewal and sustainability of Transit and Fire Fleet assets, while also reducing the average asset age to industry norms.
- A significant goal of the OCP is to create financial sustainability. The Finance Department began working on the development of a long-range financial plan that directly responds to this goal. The plan will project revenues and expenditures over a 10 to 20 year period and assess our financial viability over that term. It will provide valuable information on what will be needed to support ongoing services, including maintenance of assets to provide those services. Having a long-range financial plan allows us to better understand the future ramifications of present-day spending decisions so the City can plan not just with the short-term in mind but also over the next 20 years.
- Work began to develop a Corporate Facilities Master Plan (CFMP). The CFMP sets out a strategy for identifying and prioritizing the renewal of City-owned facility assets. When complete, the Plan will allow a more holistic picture of the City's facility-related assets so it can better understand the implications of making different choices, or the timing of projects, all relative to other projects.
- The Facilities Preventative Maintenance (PM) Program was developed and implemented. Previously, maintenance has been more reactive than proactive, causing significant downtime of equipment, increased maintenance costs and increased capital costs, as the assets do not end up reaching their full useful life cycle. Taking a proactive approach to maintaining City infrastructure extends the useful life of the assets by reducing the chance of premature failure.
- **Selected 2014 OMBI Results**

Facilities

Total square footage of all buildings owned and leased by the municipality

Total square footage of the Municipal headquarter building

Fleet

Total number of vehicles

Operating cost per vehicle km

Human Resources

Lost time incident frequency

Overall permanent employee turnover

Information Technology

# of visits to the municipal website per capita

# of information technology devices per total municipal FTE

Investment Management

Gross % realized return on the total investment portfolio

Gross % realized return on the total internally managed investment portfolio

Gross % realized return on the total externally managed investment portfolio

Legal Services

- Bylaws are a key mechanism for Council decision making. They assure the smooth operation, financing and regulation of the City, including compliance with changes to provincial legislation. In 2015, a total of 78 bylaws were prepared, including new, amended, and major re-writes of existing provisions. Several of these bylaws addressed important policy issues or changes to enforceability including:
  - *The Clean Property Bylaw* was amended to set a fee for using the City's snow storage site. The bylaw requires users to apply to use the snow storage site and sets out the way they are able to use the site.
- The Risk Management Branch oversees insurable risk management for the City and the Regina Police Service. Through this branch, the City was provided with guidance and oversight to reduce its risk and ultimately the cost of operating. In 2015, the branch investigated 1,045 incidents, settled 110 third-party claims and paid out a total of $362,054.
- The department has been leading a project to make significant changes to the Civic Pension Plan. Along with assistance from the Finance Department, Communications Department and staff from Pensions and Disability Administration, this project was finalized at the end of 2015. The last phase of the project included negotiating the legal framework for the new governance structure for the plan, ratifying the benefit changes and new governance structure by all union groups and employers under the plan, conducting employee education sessions on the changes and working with the Superintendent of Pensions on legislative changes needed to implement those changes. One significant improvement is the provision for a dispute resolution mechanism, as well as a process for benefit changes and contribution changes to deal with any future financial difficulties.
- The department led the City's participation in extensive consultations with the Government of Saskatchewan to implement the recommendations made by the Commissioner in the Inquiry into the RM of Sherwood. Outcomes of the Inquiry brought amendments to *The Cities Act*, *The Planning and Development Act*, 2007 and The *Ombudsman Act*, 2012 – all with the intent to increase transparency and accountability for municipalities.
- The Prosecutions Branch brought 1,055 charges to the Municipal Division of Provincial Court on infractions ranging from parking, animal control, fire, zoning and building bylaw offences, in an effort to promote public safety and harmonious use of public and private space.

Parks

- The department was able reduce the urban forest's pruning cycle by one year by pruning an additional 2,000 trees. The Regina Urban Forestry Management Strategy (RUFMS) states City of Regina trees should be pruned on a five to seven-year cycle. Due to service level choices, over time the pruning cycle has increased to 14 years and this extra work will help align the actual cycle time with the recommendations dictated in the policy.

- The Administration recommended and City Council approved the renewal of Confederation Park, which was built in 1967. Renewing a historic place is consistent with the policies of the OCP, specifically, the renewal meets the Culture section goal and many of the policies related to,"enhancing the quality of life and strengthening community identity through supporting cultural development and cultural heritage." The renewal will include regrading areas of the site, new pathways, lighting, irrigation systems and decorative items such as urns to hold annuals and didactic panels and a fountain replica.
- **Selected 2014 OMBI Results**

All parkland in municipality as a percent of total area of municipality

Hectares of natural and maintained parkland in municipality per 100,000 population

Planning

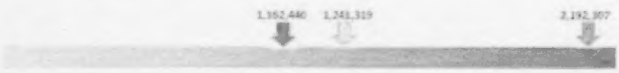
- In 2014, the City was asked by the provincial government to use Municipal Reserve Land to accommodate new joint-use school sites. Although a new practice, this ensures that the areas with the greatest need for new schools will have them, while reducing overcrowding in existing schools. The future joint-use school site will be located in a 300K population growth area called Rosewood Park within Coopertown, located west of Courtney Street and north of 9th Avenue North.
- A draft version of the City's first Transportation Master Plan (TMP) was completed in 2015 – a key guiding document that will advance the implementation of Design Regina. This plan sets out how different modes of transportation are integrated into new and existing areas. The draft TMP contains policies for things, such as bike and pedestrian path design, traffic flow, and roadway design, all in support of the policy goals of the OCP. A new TMP Coordinator position at the City was created to oversee projects related to implementation of the TMP.
- In 2015, Regina Planning Commission considered 70 reports seeking development approval with the majority being send to City Council for consideration. Key development approvals included:
  - Comprehensive redevelopment of the east Superstore including several commercial buildings, a four story medical clinic and retail building
  - Westerra subdivision phase I and zoning amendment
  - Rosewood Park school site rezoning
  - Amendments to Capital Crossing area in the Hawkstone concept plan
  - Multi-Generational Care facility (Orange Tree) in Harbour Landing
- The City ensures development of new infrastructure needed for City services, such as water, wastewater, drainage, landscaping and transportation, is meeting the necessary regulations and City standards. In 2015, the City managed17 servicing agreements with developers to construct new infrastructure in the following communities:
  - Hawkstone
  - The Greens on Gardiner
  - The Creeks
  - Harbour Landing
  - Kensington Greens

Roads

- This year saw the rehabilitation of 19.2 kilometres of road thanks to the availability of additional financial resources from the allocation of 1% of the 2015 mill rate increase to the renewal of residential roads. The work spanned across 87 projects for a total of $7.5 million. The City developed a Proactive Repair Strategy in response to these new resources to stabilize the residential road network from further degradation.
- Other infrastructure repair work was completed on one bridge, signals at six intersections, eight pedestrian corridors, 7.3 km paved alleys, 13 km of gravel alleys and 32 new expressway lights. The department was also able to install new signals at six intersections and three new pedestrian corridors.

- The City of Regina Snow Storage Site is a City-owned and operated facility that was accessible and free of charge to all users, 24 hours a day during the winter season. To align the operations of the snow storage site with the financial principles of the OCP, a pay-per-load fee system based on truck size was approved. Approximately 60% of all snow hauled to the site is from commercial and private contractors and introducing a fee system aligns in particular, with policy 1.1.2 "Where some of the benefits of a program or service are city-wide and some of the benefits are directly attributable to specific beneficiaries, the costs are to be paid for by a combination of general revenues of the City of Regina and user fees or other similar charges." With this new fee structure, the operations of the snow storage site will be supported by its primary users while still being accessible to all citizens throughout the winter season.
- In 2015, the City of Regina took efforts to widen and improve the overall quality of the roadway on Victoria Avenue East between Prince of Wales Drive and Coleman Crescent. This work combined multiple smaller projects, which in turn allowed the combination of work to be done at a lesser expense. The work on Victoria Avenue East increases and improves accessibility and safety by allowing for a more walkable neighbourhood and improving traffic flow patterns. The final stages of this project will take place in 2016, including public consultations to understand the needs of the community in addressing access to businesses in the area. Once this public engagement is complete, City Council will be provided with information and options to complete the project.
- **Selected 2014 OMBI Results**

Vehicle km traveled per lane km (major roads)



% of paved lane km where the condition is rated good to very good

% of bridges where the condition is good to very good
(Note: *OMBI numbers includes culverts whereas City of Regina numbers do not)

Transit

- Ridership of transit saw a decrease of 3.4% from 6.6 million rides in 2014 to 6.4 million in 2015.
- A fare increase was approved by City Council, which helps offset the tax supported funding needed to provide the public transportation system.
- Work is always taking place to modernize the transit system. New bus shelters were installed on 11th Avenue to provide heat in the colder months, along with lighting to improve safety. A fully accessible bus stop began piloting at the 11th Avenue transit hub. Route planning will be easier as Regina Transit launched Google Transit to allow trip planning with Google.
- In 2015, Paratransit had a refusal rate of 6.3%, up slightly from the 2014 level of 5.3%. There was an increase in the demand for the Paratransit Service. We provided a total of 186,041 trips in 2015, up by roughly 2,600 trips compared to 2014, including 958 taxi trips (includes both accessible and regular). Paratransit received additional service hours and taxi funding in mid-2015. This allowed us to reduce our refusal rate in the second half of 2015, to achieve the 6.3% refusal rate.
- Significant work has been done to reduce the amount of unaccommodated trips for Paratransit users.
  - Paratransit began piloting the use of taxi rides to offset accessible transportation needs provided by the City. This year saw the addition of eight more accessible taxicab licenses. The original plan was to add four in 2015, with four more in 2016, however, in an effort to make accessible services comparable to regular taxicab availability and wait times, the decision was made to make the total increase in 2015. The pursuit of an overall action plan for the City with respect to the accessible taxicabs supports the priorities of sustainable transportation choices and social inclusion identified in *Design Regina.*
  - It was decided that Paratransit would add an additional two buses to its fleet. This work supports the Transportation policy in the OCP, specifically

5.13, that seeks to "Maximize the accessibility of the conventional transit system while ensuring the paratransit system meets the needs of those unable to use the conventional transit system". The two buses increased capacity by 4,000 hours and the amount of service available to those who need it. Adding the buses has helped decrease the trip refusal rate suggesting that more trips are being accommodated.

- **Selected 2014 OMBI Results**

# of Regular Service Passenger trips per capita

Waste Management

- The department injected $11 million into an expansion project at the landfill to create 12 years of additional capacity of the Fleet Street site.
- The Solid Waste department reassessed the current consumption space and due to increasing waste, as well as our site accepting the waste from other landfills from surrounding communities, the capacity is less than previously estimated.
- Recycling continues to be a priority for the City. To help reach the goal of a 40% diversion rate by the end of 2015, a recycling program for multi-family residential units was approved and became mandatory starting in January, 2015. Over 96% of multi-family residential properties have filed a Waste Plan with the City and are providing recycling services for their tenants. For residential curbside collection of household waste and recyclables, collection is provided to over 62,000 single-family residential properties. To promote reducing household waste volume, a more compact curbside garbage cart was made available to residents.
- The construction of a waste to energy facility began in 2015. Once operational in 2016, the facility will convert landfill gas, a by-product of decomposing waste, into electricity. The electricity will be sold to SaskPower through the Green Options Partners Program. The facility and its accompanying benefits align directly with the OCP, section D4 Infrastructure – goal 4 policy 6.12 "Explore waste-to-energy processes whereby waste and waste by-products of one activity are used as resources for another."
- **Selected 2014 OMBI Results**

Tonnes of all material collected per household – Residential

Tonnes of solid waste disposed per household – Residential

Tonnes of solid waste diverted per household – Residential

Water/Wastewater

- To reduce the risk of underground pipe failures and extend the life of the infrastructure, the City relined nine kilometres of water and wastewater pipes. The renewal was completed using cost-effective, trenchless technology, which essentially relines the inside of an existing pipe with a new pipe instead of the traditional method of open trench digging. Not only cost-effective, this trenchless technology also minimizes service disruption and lowers greenhouse gas emissions.
- Work was completed on a new detention pond and underground storm lines in south Albert Park, which will reduce the risk of property damage during heavy rain events.
- The second pressure zone pump station was completed and commissioned, resulting in increased water pressure for residents in north Regina and capacity for further growth in that area of the city.
- Through savings realized from the WWTP, the Utility is able to address critical aging infrastructure challenges sooner than anticipated. As a result, projects that were deferred for up to 10 years in the 20-year capital plan were advanced in 2015.
- Following the same reasoning as the new Snow Storage Site, the introduction of a fee-system, a cost-recovery business model was set for the new Septage Receiving Station, which will be operational in 2016. Through this model, customers who use the service will pay fees which will recover the capital and operating costs of the facility over its lifecycle. This aligns with the OCP goal 1 – Financial Principles, "where the benefits of a program or service are directly attributable to specific beneficiaries, the costs are paid through user fees or other similar charges" rather than shared by the entire tax base.
- The Water Master Plan, which will guide the development of our water infrastructure over the long term, was started in 2015. This is consistent and encourage by the OCP, which proposes that "the infrastructure needed for growth will be planned from a long-term perspective." The way the Utility does financial planning is also consistent with the OCP. One of the goals is to "ensure the sustainability of the City by understanding and planning for the full cost of capital investments, programs and services in advance of development approval and capital procurement." The Utility has a long-term financial model to include capital and operational costs to support financially sustainable rates.
- **Selected 2014 OMBI Results**

Water

Megalitres of water treated per 100,000 population

Wastewater

Megalitres of treated wastewater per 100,000 population

Service Partners

The City of Regina works with a number of related organizations whose financial results are consolidated with those of City operations for the purposes of financial reporting. Most of these service partners also publish their own performance results annually. Some highlights are provided here:

Regina Police Service

The Regina Police Service takes a lead role in providing public safety in the City of Regina. Recognition of this role is embodied in the Service's vision statement of "Working together to keep Regina safe."

2015 Highlights

The Strategic Plan 2015-2018 is based on four strategic themes: service; communication; our people; and improvements. Below are highlights from 2015 under each of these strategic themes.

Service Delivery

- The Regina Police Service welcomed its first trauma dog, Merlot, in June 2015. Merlot is partnered with a Sergeant and stationed at the Regina Children's Justice Centre. Among other duties, this team assists children with disclosure during difficult interviews and comforts the victims of traumatic crime.
- The Regina Police Service is participating with SGI on a two-year pilot of automated speed enforcement. There are photo radar locations set up on Ring Road and in select school zones.
- The Police and Crisis Team (PACT), a partnership between the Regina Police Service and the Regina Qu'Appelle Health Region, became operational in September 2015. PACT is a collaboration intended to improve the response to persons facing challenges due to mental illness, addictions, or homelessness.
- The Regina intersectoral Partnership (TRiP) is an innovative example of crime prevention through social development. TRiP seeks to mitigate or eliminate varying levels of risk and victimization in a collaborative inter-ministerial working environment. TRiP Model is comprised of three components; the 11 and Under Initiative (11UI), the twelve&up Initiative and a Community Hub. 11UI and twelve&up focus on detected behaviours or conditions that place a child/youth in a position of vulnerability. The Hub is a rapid response to acutely elevated risk.

Communication

- The University of Regina conducted the bi-annual Regina Police Service Community Perceptions Survey. The results reflected high community satisfaction with the service provided, as well as high overall feelings of safety in Regina.
- A sample of public education efforts include information provided by specialty units on topics such as street gangs, child pornography and "sexting". Also crime prevention tips are delivered through social media such as the importance of removing keys and other valuables from vehicles to prevent thefts.
- Social media are playing an increasingly important role in educating the public to the work of the Regina Police Service. In addition to the corporate social media pages, there are twitter accounts for senior officers, a traffic safety officer, Merlot the PADS trauma dog and the RPS Cultural Unit.

Our People

- The Regina Police Service participated in a Professionalism in Policing survey, conducted by Carleton University. Staff were surveyed on topics such as professionalism, ethics and satisfaction. Results are due in 2016.

- The Regina Police Service leadership team, Sergeants and up, as well as civilian managers, received Road to Mental Readiness (R2MR) training. R2MR is designed to reduce the stigma of mental illness and promote mental health and resiliency in a police force work setting. The remaining staff will receive R2MR training in 2016.
- Eight administrative/technical positions which were held by police officers were civilianized, enabling the reassignment of eight police officers to front-line patrol duties.

Buffalo Pound Water

The best way to describe 2015 at the Buffalo Pound Water is a year of celebration, change and challenge.

Her Honour, The Honourable Vaughn Schofield, Lieutenant Governor of Saskatchewan; Regina Mayor Michael Fougere; Moose Jaw Mayor Deb Higgins; MLA Warren Michelson and many members of the public, helped Buffalo Pound Water celebrate its 60th anniversary. Dr. Bill Brennan's keynote speech "From Rivals to Partners: Regina, Moose Jaw and Buffalo Pound Water, 1882-1955" provided a wonderful history of the provision of water for our earliest residents. Those attending enjoyed a fly-past by 15 Wing and plant tours.

The most significant change in 2015 came with our preparation for the transformation into the Buffalo Pound Water Treatment Corporation (Buffalo Pound Water). As a new a non-profit subsidiary of the City of Regina and the City of Moose Jaw, the 1951 and 1991 Joint Venture Agreements were replaced with a Unanimous Membership Agreement, approved by both City Councils in December. In anticipation for this change we developed our first strategic plan, an inaugural annual general meeting, a new website, logo and brand. Budget process improvements included developing multi-year budgets, introducing the first budget with funded capital projects, introducing the first capital water rate and allowing operating funds to build a reserve.

The year brought significant challenges as the plant faced three power-loss events. A 16-day production event in late spring resulted in the plant not being able to meet our customers' normal water demands. The plant's lack of redundant power and deteriorating electrical infrastructure have a significant impact on the plant's ability to maintain a level of service reliability the cities expect from the plant. Environmental conditions also impact the plant's ability to meet water demands. Thermal gradients in the lake water due to low wind with high daytime and low evening temperatures, contributed to a short circuit of the treatment process resulting in the plant having a lower than anticipated production. An event of this magnitude or duration has never occurred in 60 years of operation. These events raised the level of understanding of the associated risks that could result in the cities running short of water. We recognize these risks are unacceptable and mitigation is needed.

The major capital project, funded by the cities under a 2010 agreement, is now managed by Buffalo Pound Water. This capital work will allow the plant to continue to meet regulatory requirements while mitigating some of the risks associated with the plant's aging electrical system. Construction began on the ultra-violet disinfection system and Archimedes screw pump. The plant electrical substation and related electrical work design began and is anticipated to be tendered in late 2016. Smaller capital projects proceeded in 2015 with three completed, two in design and two under construction.

The previous unfunded program of work now has approved funding and is part of the Buffalo Pound Water's Capital Projects. This work is required to maintain the 60-year-old plant to minimize risks and ensure regulatory compliance.

Buffalo Pound Water continues to develop and improve the Board's Risk Registry, which will assist in strategically targeting where operating and capital funding should be allocated to mitigate risks where possible. The Key Performance Indicators and the 2013 National Water & Wastewater Benchmarking Initiative data, presented to the cities and board, will assist the plant in making operational decisions.

The quality of the raw water in Buffalo Pound Lake continues to be a major challenge. The raw water quality is very poor and has been degrading continually since 2011. The lake volume has been mixed with Moose Jaw River water as the river backed up into the lake in 2011, 2013 and 2015. As a result of this continued raw water quality degradation, plant chemical dosages were the highest they have ever been - approximately three times higher than 2010. Even with the high chemical use, the treated water remained safe to drink. The organics in the lake have also changed and are now more reactive to chlorine with respect to the production of disinfection byproducts known as Trihalomethanes (THMs). THMs are impacting the cities' ability to meet Provincial Water Regulations and their Permit to Operate. The poor water quality is not expected to change for several years until the lake water volume has changed with water from Lake Diefenbaker. The Water Security Agency is currently studying the Buffalo Pound Lake water quality.

The operating budget experienced a shortfall in 2015, but was within the 20% refundable rate, which was designed to address the variabilities in the plant's operations. Revenues were down 8.3% from the cities forecasted water sales. Expenditures were over budget mainly due to increased chemical purchases, the unanticipated costs for emergency repairs for the electrical failures and the late spring production event.

Buffalo Pound Water, which provides safe drinking water to more than 260,000 people, was in full regulatory compliance with respect to the quality of the treated water provided to our customers: City of Regina, City of Moose Jaw, SaskWater and the Buffalo Pound Provincial Park.

Economic Development Regina (formerly Regina Regional Opportunities Commission)

Economic Development Regina (EDR) is responsible for providing leadership for economic growth to the City of Regina and the community with specific accountability for the following core functions:

- Support industry growth and diversification through retention, development and attraction of business and tourism.
- Find innovative ways to support the community in sustaining growth while effectively addressing the challenges of growth.
- Market and promote the Regina region for business, tourism, events, conventions and tradeshows.
- Ensure the Regina region prospers as a vibrant and diversified economy for investors, is a strong destination experience for visitors and a place of choice with a high quality of life for residents.

Our 2015 Business Plan was carefully designed to deliver on these five vision statements and on EDR's three strategic intents – which are:

1. To be recognized as a 'best in class' organization that embraces service, excellence and lead practice operating principles.
2. The entrepreneurial spirit will power the Regina region to consistently achieve superior economic performance.
3. Make the Regina region into a top performing regional tourism ecosystem.

EDR's 2015 Highlights Include:

- Completed the Fabricated Metal Products Manufacturing Supply Chain analysis and action plan, to support the sector for growth.
- Completed the Agri-business Supply Chain analysis.
- Launched the office of Strategic and Competitive Intelligence to provide market data and research to Regina companies.

- Created working groups to enable collaboration of stakeholders, including: the Strategic & Competitive Intelligence Alliance, Alliance for Events, Conventions, and Tradeshows, and the Tourism Leadership Council.
- Developed an Investment Attraction action plan to offer free, confidential, and customized advice to companies and investors.
- Initiated a regional Tourism marketing plan that targeted a family audience promoting Regina as a destination experience. The display/mobile impression rates of the leisure campaign showed a 204% campaign delivery rate. Visits and users are up on the website and geographic targets have jumped significantly.
- Regina was awarded 25 events with an estimated economic impact of $8,759,441.
- Submitted bids with community partners seeking to bring 19 future national and international events and conventions to Regina.
- Received City Council approval for change of status to Municipal Corporation and developed appropriate materials to execute change including new identity.
- Participated in investment attraction missions in partnership with Saskatchewan Ministry of the Economy and Saskatoon Regional Economic Development Authority.
- Completed development of a stakeholder engagement survey framework and retained an independent third-party to refine and conduct the survey to establish performance baselines relative to 2015 KPIs and targets.
- Developed a proposal and received funding from the City of Regina to develop materials to market and communicate the Regina Advantage.

The next year will see the abundance of assets, which we call 'The Regina Advantage,' being mobilized to a much greater extent. Our vision is to continue the momentum toward creating a long-term, stable economic base and growing economy which will result in Regina becoming a larger and sustainable leading urban centre.

Regina Exhibition Association Limited (Evraz Place)

The Regina Exhibition Association Limited (REAL) that operates as Evraz Place enriches the quality of life for people in the community through the hosting and delivery of local, regional, national and international events. REAL is an arms-length, entrepreneurial organization owned by the City of Regina and governed by an independent Board of Directors appointed by City Council. Profits are reinvested in the business.

In 2015, REAL achieved the following results:

- Earned revenue of $33.2 million, up 9.8% from 2014.
- Reported net income of $545,017, down 45.6% from 2014, largely due to the falling loonie compared to a stronger US dollar, lower-than-forecasted ticket sales on a self-produced concert and expenses related to the new Mosaic Stadium with no offsetting revenue stream.
- Held more than 450 catered events and fed nearly 33,000 people, but the bottom line was lower overall compared to 2014, largely due to higher cost of goods sold and economic conditions with the downturn in the oil and gas industry which affected the number and size of events.
- Earned unplanned revenue of $223,000 from improved and more proactive scheduling processes in our Sport & Recreation division.
- Operated the Red Cross Emergency Evacuation Centre for 850 victims of northern Saskatchewan forest fires who were displaced from their communities.
- Announced funding approval from the Government of Canada, Government of Saskatchewan, City of Regina, Regina Hotel Association and Canadian Western Agribition for the new International Trade Centre which will join all remaining buildings on our 100-acre property with the exception of the new stadium. This Trade Centre will make Evraz Place one of the largest interconnected event complexes in North America
- Participated in continued planning for the new Mosaic Stadium as the future operator of the facility.
- Hosted 50 tournaments in the Co-operators Centre and Credit Union EventPlex.

- Hosted signature annual events, including Canada's Farm Progress Show, the Queen City Ex, Canadian Western Agribition and the Spring Home & Garden Show
- Held 40 trade and consumer events, including indoor car, RV and boat dealers, the Majestic Car Show, Fan Expo Regina and a number of consumer product shows and craft sales.
- Hosted a range of concert and entertainment events, including Bryan Adams, Stars on Ice, Ed Sheeran, Journey, Shania Twain and Kevin Hart.

Regina Downtown

The Regina Downtown Business Improvement District (RDBID) is an organization which provides a range of business and community services to promote and enhance downtown's unique assets, to improve conditions for businesses operating in the district, and improve the quality of life for those who shop, work, live and play downtown. The Downtown encompasses the 41 block area between Osler Street, Angus Street, Victoria Avenue and Saskatchewan Drive. Regina Downtown's services supplement those provided by the City of Regina.

In 2015, RDBID embarked on an ambitious strategic planning process. Imagine Downtown incorporated an extensive public engagement campaign that included two town hall meetings, four focus groups and 1,600 on-street surveys. We will unveil our new 2016-2018 Strategic Plan in May 2016.

Through our Imagine Downtown engagement process, we found that Regina downtown's cachet continues to grow, bolstered by an ever-growing, diverse landscape of unique restaurants and pubs, niche retailers and marquis events and festivals. More than ever, there's more places to go, and more things to see and do.

- Since 2014, over 25 new businesses have opened in downtown Regina. These new businesses include restaurants and pubs, retail, health and fitness and service.
- Twelve restaurants have opened patios throughout downtown, adding to our vibrancy.
- City Square Plaza is home to 12 food trucks which serve a wide variety of menus throughout the summer months.
- Our annual 2015 pedestrian count showed a 30% increase in downtown pedestrian/bicycle traffic since 2012.
- The Info on the Go team is RDBID's visitor service team. They provide support at most downtown events and programs, assistance with membership engagement and had a key role in the Imagine Downtown public engagement process. In 2015, they had over 12,500 public interactions, an increase of 122% from 2014 of 5,600 interactions.
- Attendance at five outdoor Cinema Under the Stars movie nights reached more than 5,300 people, a 163% increase since 2012.
- Almost 1,500 people took to the ice rink at Victoria Park during our 2014-2015 season.

Downtown Regina is also the heart of arts, culture and heritage for the community. Many of our projects and initiatives embraced Regina's collective cultural values.

- RDBID held our first annual Jane's Walk around historic Victoria Park. The walk focused on the rebuilding effort that took place after the 1912 Tornado. We had 35 adults, five children and three dogs attend the walk.
- art{outside} is our first collaboration with the MacKenzie Art Gallery. The initiative, launched during Culture Days, involved the temporary installation of artwork reproductions from the MacKenzie Art Gallery collection. The six installations at City Hall and Victoria Park, curated by the MacKenzie, will be on display until summer 2016.
- As part of Culture Days, RDBID organized Doors Open Regina, a tour of 10 historic properties throughout downtown Regina. Over 40 volunteers assisted with 400 visitor tours during the one day event.
- Regina Downtown was approved as a Main Street Saskatchewan Affiliate Community. Through this program we will receive support and training to assist with economic development initiatives, marketing promotions and historic preservation.

Ensuring Downtown Regina is clean and safe is one of our most important mandates. To support our efforts, RDBID employs the Downtown Clean Team, who perform maintenance and cleaning tasks, including sweeping sidewalks, collecting rubbish, removing litter from public amenities, reporting streetlight outages, as well as removing and reporting graffiti as needed. We also work closely with the Regina Police Service and other community service providers to ensure the safety of everyone who comes downtown.

- In 2015, 566 bags of litter and garbage were collected in the downtown, an increase of 47% from 2014. This is over and above the garbage deposited in City of Regina waste bins.
- Our Clean Team removed 490 graffiti tags from downtown properties and street furniture, an increase of 59% from 2014.
- Our sidewalk sweeper covered 945 km of downtown sidewalks, an increase of 45% from 2014
- Regina Police Service Downtown BEAT spent more than 3,000 hours patrolling downtown on foot and over 700 hours on their bikes. They attended 125 events in Downtown and had an opportunity to make over 3,000 contacts with our business owners or employees.
- Four Downtown Dialogue meetings were held with our members in 2015 to discuss safety, security and the Cold Weather Strategy in the downtown.
- Street Culture Kidz Project Inc. began the S.I.P. (Soup in the Park) Program in 2013 with the intention of providing a higher level of safety during evening hours by engaging street involved individuals. In 2015, there were 616 individuals with 5,328 meals served and 95 individuals interviewed for the Street Culture questionnaire.

Warehouse District

Regina's Warehouse Business Improvement District (WBID) was established in 2003 to promote and enhance the District's unique warehouse area and historical assets, enhance business conditions and improve the quality of life for those that live, work and utilize the area. The WBID services 80 blocks of Regina, within the boundaries of Albert Street to Winnipeg Street and 4th Avenue to the CPR tracks. The Warehouse District is home to both modern and historic Chicago-style buildings, built in the early 1900s. In 2015, the Warehouse District welcomed six new board members and a new Executive Director. Highlights of 2015 include:

- Implemented a new three-year strategic plan.
- A majority of the Broad and 7th Linear Park was installed. Installation of the sign is scheduled to be installed in spring 2016.
- Participated in discussions on the City of Regina Railyard Renewal Project.
- Clean-Up Day on May 9, 2015 had 14 enthusiastic volunteers who collected 3.4 tonnes of trash. Since its inception in 2004, the total trash collected is 71.12 tonnes.
- Clean-Up Crew in the District from May through October continued a partnership with the North Central Family Centre team.
- Improved security in the Warehouse District focusing on Labour Day weekend, the Saskatchewan Roughrider home game in September and New Year's Eve.
- Annual Jane's Walk on May 2, 2015, saw 20 individuals attend an informative talk and walk around the Warehouse District led by Sarah McRaven, Sustainability Consultant, Beetle Green Consulting & Education and Warehouse District resident.
- Published three editions of the newsletter.
- Introduced the Warehouse District Fitness Walk. The walk toured various fitness facilities in the area and explored the history of the area during the walk between facilities. The walk was led by Don Black with 10 participants.

- First annual Warehouse District Brew festival was held on October 3 in the Railyard site on Dewdney Avenue. The event was created to highlight Warehouse District businesses and featured a main festival area with beer gardens showcasing the three area brewers, a main stage featuring local entertainers and dance groups throughout the day, food trucks and a children's area operated by North Central Family Centre. Many District area businesses participating by hosting sales or offering tours of their buildings and art studios. We incorporated a piece of District heritage by providing horse and wagon transportation for participants to tour the area and visit the various businesses. The event drew over 300 people to the main festival site.

Regina Public Library

Regina Public Library (RPL) provides the citizens of Regina with opportunities to grow, learn, connect, gather and transform. We are committed to our patrons and to the community and we continue to make a difference in the lives of Regina citizens. In 2015, RPL had well over a million visits to our branches and Reginans continue to demonstrate how much they love their library.

Regina Public Library had many successes in 2015, some are highlighted below:

George Bothwell Branch

RPL initiated plans to renovate its George Bothwell Branch at the Southland Mall. The branch is the second-most-used after Central and serves a large and continuously-growing group of patrons. Bothwell's current space has become too small to accommodate the thousands of patrons who visit it and it has become clear that the much-loved branch is in need of a renovation.

Early on in the design process RPL solicited input from the public, to make sure the renovations met their needs. RPL has since finalized design plans for a new Bothwell – one that's bigger and even better for patrons to use.

The plans for the branch reflect the changes happening to libraries the world over... ensuring they are spaces in which the community can congregate, share information, stimulate ideas and learning and establish connections.

Mâmawêyatitân Centre

Regina Public Library partnered with the City of Regina and other groups to lead development and initiate construction of the Mâmawêyatitân Centre. The facility will be a hub of community activities and will include Scott Collegiate, a child care facility, City recreational complex, the RPL's Albert Branch and a community policing centre.

By the end of 2015, the project was over 25% complete and well on its way to being finished on schedule in mid-2017.

Like the Library, the Centre is created from community, driven by passion and inspired by lifelong learning for everyone. The potential for integration of programs and services with other community organizations gives RPL unprecedented reach in serving community needs while showing everyone the incredible offering of RPL and its staff.

New Technology and Maker

Technology continues to play an important role at RPL and at libraries the world over. RPL is building and adapting its digital and technical offerings and offering digital and physical spaces in which the community can connect and share knowledge.

In 2015, two 3D printers were purchased for the library. The printers use an additive process, building successive layers of material to construct a three-dimensional object. One printer is available for public use and a second is being used in RPL programming. This type of printing has been a very popular addition at RPL.

3D printers are used extensively within the Maker movement, an umbrella term for independent inventors, designers and tinkerers who gather to discuss their hobbies and create new and useful objects. RPL hosted its second successful Maker conference in 2015. The event focused on education, entertainment and art for all ages and featured groups from around the community demonstrating their hobbies and interests.

RPL continued to introduce self-check stations in its Branches, allowing the public to self-manage their check outs. This provides the ability for RPL staff to shift focus from "transactional" check out services to more "human" interface services. This includes reference and readers' advisory, helping patrons with technology and enhancing operational services such as public programming.

In 2015, RPL improved its wireless network to enhance the availability and stability of WiFi services for patrons. It made improvements to its wired network and enhanced its system performance overall to accommodate new systems in the future.

Transition to Polaris

In early fall, Regina Public Library worked alongside the Saskatchewan Information and Library Services Consortium (SILS), of which it is a member, to upgrade Saskatchewan's library catalogue system. The new catalogue system is now installed and work continues at RPL to fine tune and integrate the system.

Evacuees

Summer 2015 brought with it unprecedented wildfires that spread across the province's north. Hundreds of residents were forced from their homes to temporary living spaces such as at Evraz Place in Regina.

During the evacuation, RPL set up a mobile library at Evraz, providing free materials, literacy programming and daily entertainment to evacuees. RPL staff also worked with SaskTel to hard wire a computer lab for the evacuees to use.

Dunlop Art Gallery – Material Girls

The Dunlop Art Gallery received national attention with its Material Girls show. The show was developed, curated and hosted by the Dunlop team. It attracted nearly 10,000 visitors and broke attendance records, as well as received national press coverage from the Globe and Mail and Canadian Art magazine.

After receiving requests for the show to appear elsewhere, Material Girls was transitioned into a touring show, and is visiting several galleries across Canada. The tour was awarded a $20,000 grant from the Saskatchewan Arts Board's Culture on the Go program.

Literacy Volunteers

Late 2015 saw the first influx of Syrian refugees into Canada. RPL anticipated a need for additional tutors to help newcomers learn English and issued a call to the public, requesting volunteer support. The response from the community has overwhelmingly positive: Hundreds of volunteers have contacted RPL to offer their help and support for the volunteer tutor program, which has helped address a backlog of requests from newcomers hoping to learn English. New tutors will also help provide these new residents with the confidence they need to integrate into our society.

Engaging the Community

In 2015, RPL partnered with the Regina Downtown Business Improvement District and the City's Attractions Committee to maintain a constant presence at events across Regina. The library was present at the Regina Farmers' Market, Regina Teachers' Convention, Community Fair for Newcomers, Cathedral Village Arts Festival, Queen City Pride event, I Love Regina Day and many more events across the city.

The library held its annual summer reading contest for children, teens and adults. Close to 5,000 children participated in the contest – an increase of 20% over 2014. The RPL offered special services to visually impaired patrons who wanted to participate in the Summer Reading Contest and Club and 2015 was the first year it was offered.

The Library's Outreach Unit offered Aboriginal programming for the first time. The staff in the unit have been very involved in the Centre for Equitable Library Access program, which expanded RPL's collection of resources available to the visually impaired.

In 2015, RPL introduced a community access card, to provide access to library materials for members of the public who don't have a home address.

The Library by the Numbers

- In 2015, over 76,000 library cards were in use at RPL by individuals and families.
- The following items are available to borrow:
  - 404,314 non-print items including e-resources such as streaming movies and music, books and audio books; DVDs; CDs; spoken word; art rentals and toys.
  - 398,178 print items including adult and young adult books and magazines, juvenile books and magazines and other print publications.
  - 48 outreach kits and videos for homebound patrons and those who can't read printed material; 3,612 audio books available from the Centre of Equitable Library Access and the National Network for Equitable Library
  - 7,200 foreign language books and magazines are available through RPL, as well as 291 language kits, 3,330 online newspapers and magazines in 60 languages other than English.
- Local English newspapers can be translated into 17 different languages using technology available at the library. RPL also has two literacy cafes to learn and practice English and 213 volunteer tutors to help newcomers learn English.
- Over 6,400 programs were offered to 135,000 participants. Program offerings included food tasting, healthy living, computer use, art programs and more.
- Nearly 7,500 people attended a film screening at the RPL Film Theatre.
- By the end of 2015, almost half of all checkouts were made on self-check machines. 89% were done or completed by patrons remotely and over 330,000 items were renewed remotely.
- Over 36,000 people visited the Dunlop Art Gallery in 2015: 21,821 at the Central Library location and 14,192 at the Sherwood Village location. The Dunlop has over 240 pieces of art available for the public to rent.
- RPL has 170 computer work stations and 20 children's literacy work stations throughout its branches. In 2015, the computers were used by the public for 150,604 hours – the equivalent of about 17 years' worth of use.
- As of December 2015, there are 200 employees at RPL, 26 of whom are librarians, meaning they possess a library science graduate degree.
- 25,495 hours of service were provided to the public in 2015.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

INTRODUCTION

The discussion and analysis of the City of Regina's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should review the "Introduction" and "City of Regina Performance in 2015" contained within the Annual Report, notes to the financial statements and financial statements to enhance their understanding of the corporation's service efforts and accomplishments from both financial and non-financial perspectives.

HIGHLIGHTS

The Consolidated Financial Statements combine the financial results of the City's divisions with the financial results of the agencies that are accountable to and controlled or owned by the City. These include:

- Regina Downtown Business Improvement District
- Regina's Warehouse Business Improvement District
- Regina Regional Opportunities Commission (Effective January 1, 2016 - Economic Development Regina)
- Regina Public Library
- Buffalo Pound Water Administration Board (Effective January 1, 2016 - Buffalo Pound Water)
- Regina Exhibition Association Limited

Key financial highlights for 2015 are as follows:

- The 2015 Consolidated Financial Statements report net financial assets of negative $69.7 million, a decrease of $121.7 million from $52.0 million at the end of 2014. The decrease in net financial asset position is due to the financing of major capital projects, namely the new Mosaic Stadium project and the Wastewater Treatment Plant upgrade, to meet the City's present and future demands.
- The 2015 Consolidated Financial Statements also show an excess of revenues over expenses of $169.5 million compared to $146.7 million in 2014.
- The City's accumulated surplus increased from $1.6 billion at the end of 2014 to $1.8 billion at December 31, 2015. Virtually all of the accumulated surplus is tied up in non-financial assets, such as tangible capital assets, which represents the service capacity available for future period. Non-financial assets were $1.8 billion at the end of 2015.
- Revenues decreased by $23.5 million and expenses decreased by $46.3 million from 2014. The main reason for the decrease in revenue is due to the consolidation of Regina Exhibition Association Limited in the prior year.
- The City's reserves increased by $26.0 million to $236.7 million.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Demographic and Economic Information

	2015	2014	2013	2012	2011
Population (Census Metropolitan area)*	223,000	217,490	211,202	205,660	197,470
Building permits					
Number	3,504	3,229	3,300	3,342	2,790
Values ($000)	675,795	628,109	734,737	773,273	547,700
Urban dwelling starts	3,093	1,954	3,122	3,093	1,694
Inflation rate for Regina (%)	1.9%	2.4%	1.7%	1.8%	2.9%
GDP Growth for Regina (%)	1.6%	3.3%	3.5%	4.2%	6.1%
Unemployment rate (%)					
Regina	4.1%	4.2%	3.7%	3.6%	5.3%
Saskatchewan	5.5%	3.8%	4.0%	4.7%	5.0%
Canada	6.9%	6.9%	7.1%	7.2%	7.4%
Average selling prices of homes ($)	311,235	313,903	311,047	301,332	268,000

* Population figure is for the Regina Census Metropolitan Area (CMA) as obtained from Statistics Canada, 91.7% of the CMA population is in Regina proper.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

REVENUES

The City of Regina had total operating and capital revenue of $657.0 million in 2015. This is an decrease of $23.5 million.

Table 1: Revenues - Budget to Actual and Prior Year Comparison

	2015 Budget	2015 Actual	Budget Variance Favourable (Unfavourable)	2014 Actual	Year over Year Increase (Decrease)
Taxation	225,667	227,973	2,306	216,711	11,262
Fees and charges	199,981	217,052	17,071	193,182	23,870
Government transfers	91,418	87,661	(3,757)	88,684	(1,023)
Electrical distribution	22,450	24,417	1,967	23,124	1,293
Licenses, fines and levies	14,272	14,211	(61)	13,394	817
Gas distribution	7,000	7,076	76	7,587	(511)
Interest and penalties	1,294	1,833	539	1,661	172
Interest on portfolio investments	12,944	18,940	5,996	15,024	3,916
Realized gains on portfolio investments	-	8,311	8,311	3,488	4,823
Servicing agreement fees	3,086	20,339	17,253	10,979	9,360
Land sales	3,503	3,877	374	7,735	(3,858)
Other	6,957	11,174	4,217	7,119	4,055
Contribution of tangible capital assets	-	14,114	14,114	37,745	(23,631)
Restructuring	-	-	-	54,086	(54,086)
	588,572	656,978	68,406	680,519	(23,541)

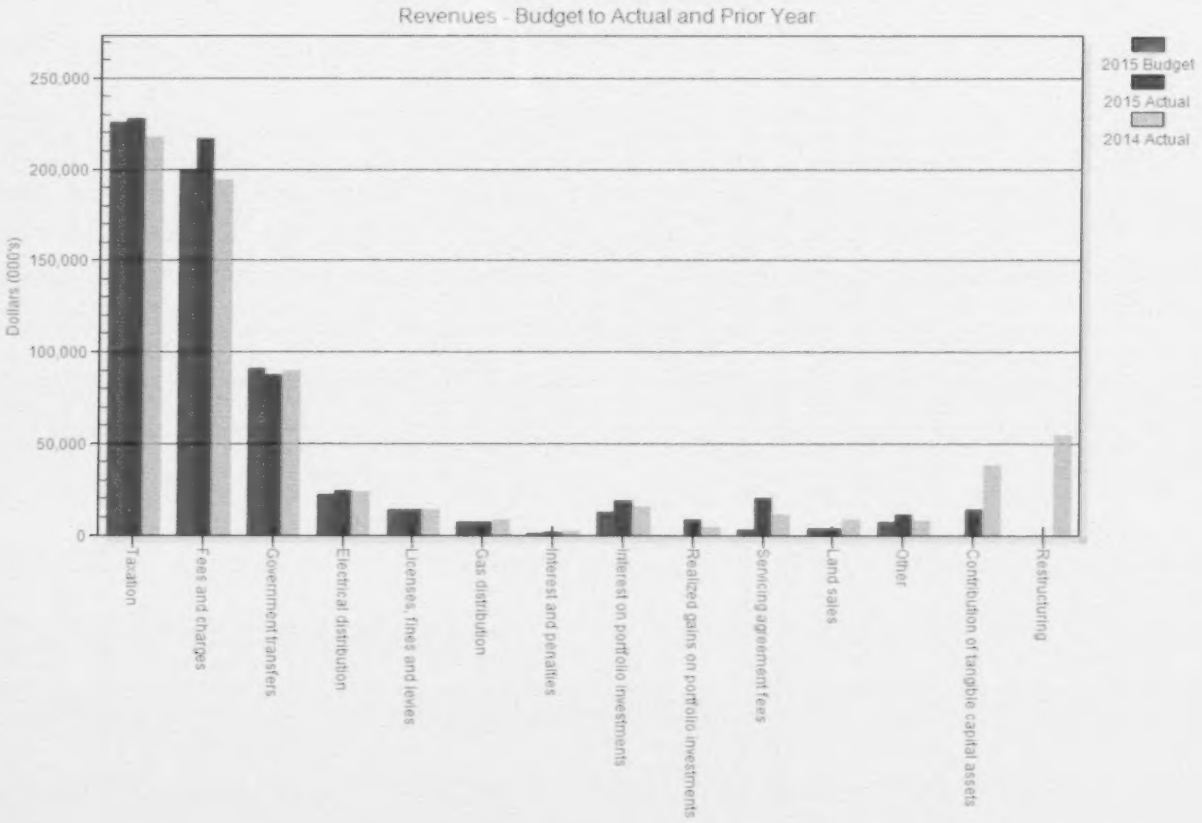
The schedule above includes both operating and capital revenues.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Table 2: Revenues - Budget to Actual and Prior Year



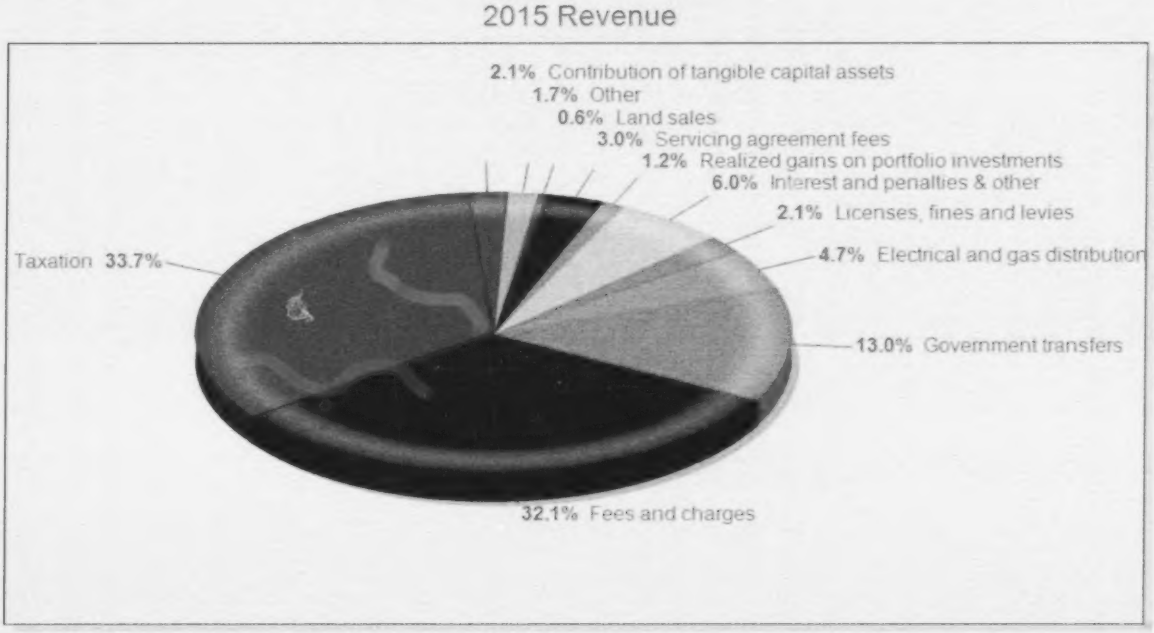
Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Of the total revenue earned in the year, more than 66% (2014 - 60%) is attributed to taxation and fees.

Table 3: 2015 Revenue by Type


2015 Revenue
2.1% Contribution of tangible capital assets
1.7% Other
0.6% Land sales
3.0% Servicing agreement fees
1.2% Realized gains on portfolio investments
6.0% Interest and penalties & other
2.1% Licenses, fines and levies
4.7% Electrical and gas distribution
13.0% Government transfers
32.1% Fees and charges
Taxation 33.7%

Taxation revenue for 2015 was $11.3 million higher when compared to 2014. This was primarily due to a 3.9% increase in the mill rate and new properties coming onto the assessment roll during the year.

Fees and charges for 2015 were $23.9 million higher than 2014. This was mainly due to an increase in sewer service charge, waste management fees, drainage levy, landfill charges which totalled $17.7 million and REAL consolidated fees and charges of $3.9 million.

Government transfers were $3.8 million below budget this was primarily due to the net impact of actual gas tax recognized being less than budget by $8.0 million and un-budgeted $6.0 million received for School Site Projects. The variability with budget is also due to capital grants, which vary from year to year. Government transfers in 2015 were $1.0 million lower than 2014, which was primarily due to reductions in deferred Gas Tax and Urban Highway Connector's Grant, which were offset by government transfer for school site projects.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Servicing agreement fees for 2015 were $9.4 million higher than 2014. When a servicing agreement is entered into between the City and a developer, the fees collected are inflows of cash or accounts receivable to the City. Parks, roads and dedicated lands are initially recorded as deferred revenue pursuant to the revenue recognition principles. They are recorded as revenue when allocated to eligible projects. Utility servicing agreement fees are recorded as revenue upon receipt or signing of new servicing agreements in accordance with revenue recognition principles. Servicing agreement fees collected in a given year are recorded as revenue or deferred revenue based on these principles. Deferred revenues related to servicing agreement fees decreased from 2014 to 2015.

Contribution to tangible capital assets for 2014 were $14.1 million above budget since this item is not budgeted for. This revenue includes tangible capital assets, such as land, roads, and underground networks that the City receives at no cost or below fair market value as per development agreements. However, the City will be expected to maintain and rehabilitate these assets from this point forward.

Restructuring for 2015 was nil compared to $54.1 million in 2014. This was due to the consolidation of REAL in 2014.

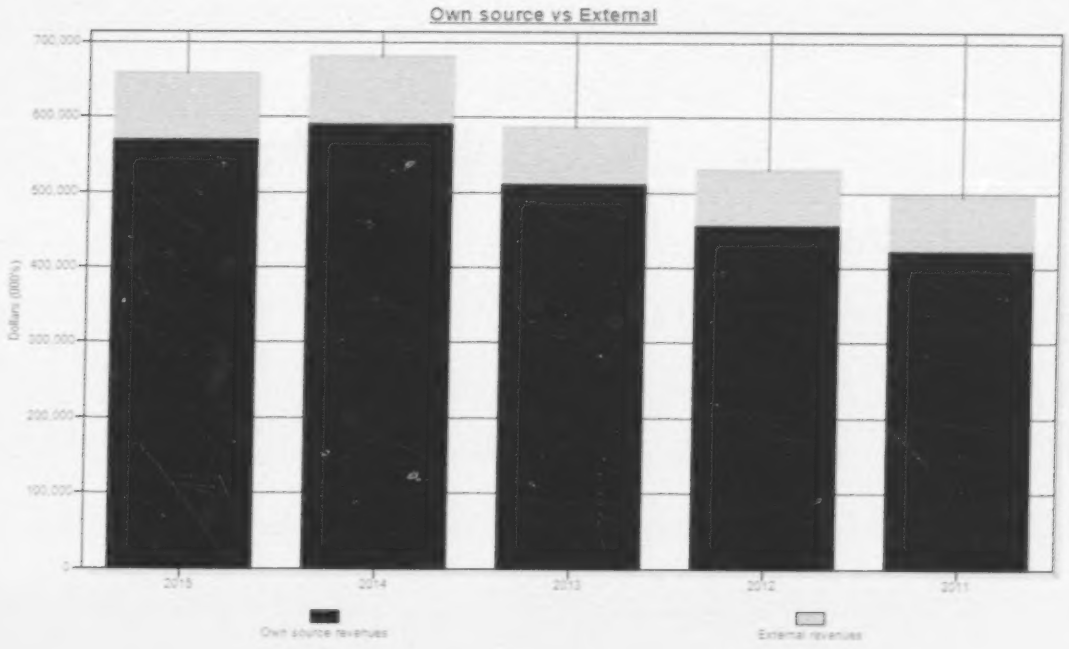
The City's financial condition is reflected in the overall economic and financial environment and the City's ability to meet service commitments to the public, obligations to creditors, employees and others. An assessment of the City's sustainability, flexibility and vulnerability indicators are presented within the Official Community Plan Results presented earlier in this document. In addition to the sustainability, flexibility and vulnerability described earlier in this document, Table 4 reflects a comparison of own-source revenue to external revenues.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Table 4: Own Source vs External Revenue



Own-source revenues, which include taxation, have increased over the past five years and external revenues have decreased, indicating that the City is becoming more self-sufficient in meeting its service level commitments. This is an indication of a decrease in the City's degree of vulnerability as a result of its reduced dependency on other levels of government for revenues. The City has decreased its reliance on government transfers from 14.4% of total revenue in 2011 to 12.0% in 2015, meaning the City is more able to fund essential programs and services from own-source revenues.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Table 5 provides a summary of the total revenue collected over the last five years. The top five revenue sources include taxation, government transfers, electrical and gas distribution revenues, fees and charges, and contribution of tangible capital assets (Table 6).

Table 5: Revenue Summary (Five Years)

Revenue Summary

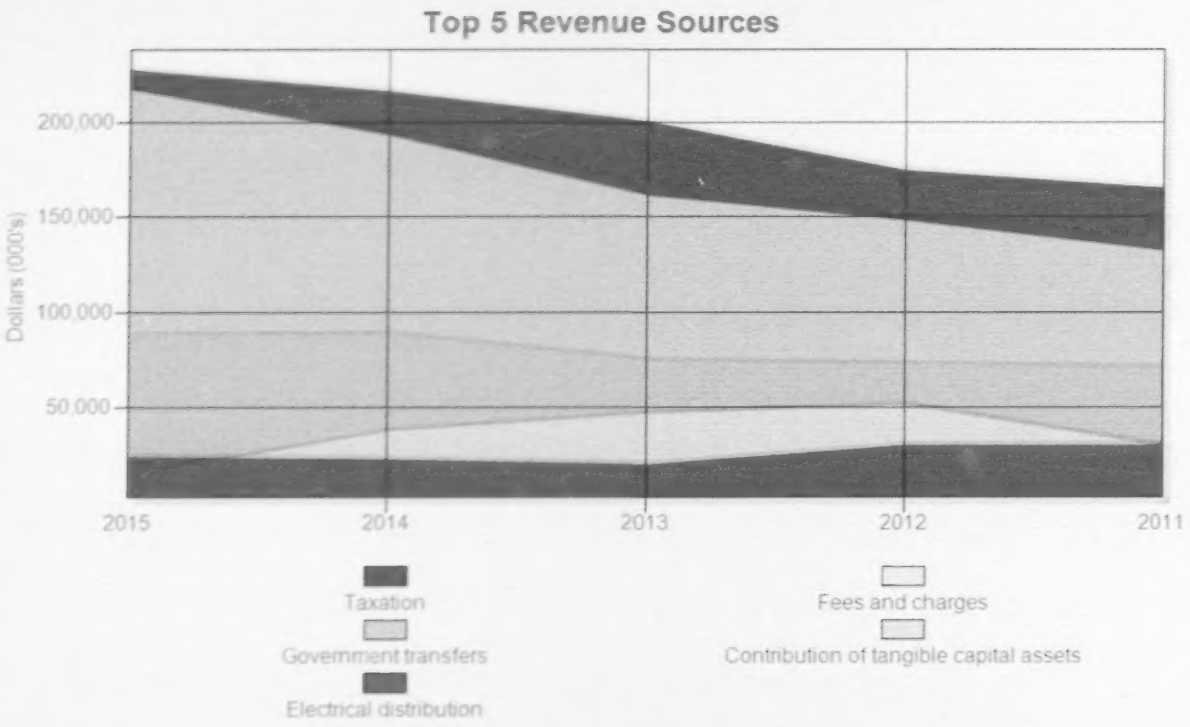
	2015	2014	2013	2012	2011
Taxation	227,973	216,711	200,326	174,843	165,224
Fees and charges	217,052	193,182	161,208	148,209	132,470
Government transfers	87,661	88,684	74,335	72,452	70,733
Electrical distribution	24,417	23,124	20,596	30,075	30,061
Licenses, fines and levies	14,211	13,394	11,814	11,421	11,097
Gas distribution	7,076	7,587	6,739	5,620	6,645
Interest and penalties	1,833	1,661	1,406	1,261	1,366
Interest on portfolio investments *	18,940	15,024	9,665	8,580	9,484
Realized gains on portfolio investments *	8,311	3,488	(1)	3,006	3,963
Servicing agreement fees	20,339	10,979	25,374	14,696	18,875
Land sales	3,877	7,735	18,128	2,667	9,871
Other	11,174	7,119	10,060	4,062	3,483
Contribution of tangible capital assets	14,114	37,745	46,980	51,753	29,711
Restructuring	-	54,086	-	-	-
	656,978	680,519	586,630	528,645	492,983

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Table 6: Top Five Revenue Sources



Further details on these five sources of revenue and the historical trend are described below.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Taxation revenue generally increases with growth and tax rate increases.

Taxation revenues result from Municipal and Library Taxes levied on all properties in the city and business improvement levies assessed by the Business Improvement Districts on properties in the districts.

Property taxes are calculated by applying a mill rate and mill rate factor to each property assessment. The mill rate and mill rate factor together are known as the tax rate.

Table 7: Taxable Property Assessment

Taxable assessment	x	Mill rate	x	Mill rate factor	=	Property tax

Taxable Property Assessment
(in thousands of dollars)

Year	Total
2015	19,700,181
2014	19,182,276
2013	18,611,010
2012	9,636,508
2011	9,470,294

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Table 8: Mill Rates And Levies

	Mill Rates			Business Improvement Levies	
Year	Municipal	Library	Total	Regina Downtown	Regina's Warehouse Business Improvement District
2015	9.2856	0.9372	2,025.2228	0.7388	0.7588
2014	8.9371	0.9216	2,023.8587	0.7388	0.7588
2013*	8.4404	0.8947	2,022.3351	0.7388	0.7588
2012	15.1059	1.6221	2,028.7280	0.8874	0.9785
2011	14.5389	1.5919	2,027.1308	0.8533	0.9785

* 2013 was a reassessment year and the mill rates and business improvement levies were restated to revenue neutral rates. The revenue neutral rates for 2013 were as follows:

Municipal mill rate - 8.4404
Library mill rate - 0.8947
Regina Downtown levy - 0.7388
Regina's Warehouse Business Improvement District levy- 0.7588

Table 9: Municipal Mill Rate Factors

	Mill Rate Factors				
Property Class/Subclass	2015	2014	2013	2012	2011
Residential	0.87880	0.87880	0.87880	0.90059	0.90059
Condominiums	0.87880	0.87880	0.87880	0.90059	0.90059
Multi family residential	0.87880	0.87880	0.87880	0.90059	0.90059
Commercial and Industrial	1.32901	1.32901	1.32901	1.22945	1.22945
Golf courses	0.86359	0.86359	0.86359	0.92187	0.92187
Agriculture	1.32901	1.32901	1.32901	1.22945	1.22945

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Table 10: Tax Levies and Collection

	2015	2014	2013	2012	2011
Municipal tax levy	208,274	197,821	170,239	158,121	149,201
School boards tax levy	122,026	119,687	115,717	115,480	112,162
Library tax levy	19,699	18,890	17,818	16,722	16,023
Total tax levy	349,999	336,398	303,774	290,323	277,386
Tax levy per capita - Municipal*	934	910	807	699	689
Tax levy per capita - School boards*	547	550	548	511	517
Tax levy per capita - Library*	88	87	84	74	74
Total tax levy per capita* ($)	1,569	1,547	1,438	1,284	1,280
Tax levy per household - Municipal**	2,281	2,208	1,948	1,858	1,813
Tax levy per household - School boards**	1,337	1,336	1,324	1,357	1,363
Tax levy per household - Library**	216	211	204	196	195
Total tax levy per household** ($)	3,834	3,755	3,476	3,411	3,371
Tax arrears, end of year (prior to allowance for doubtful accounts)	8,078	4,740	4,740	4,740	5,004
Arrears as a % of total tax levy	2.31%	1.41%	1.56%	1.63%	1.80%
Tax levy as a % of Gen operating Revenue	0.32%	0.29%	0.29%	0.30%	0.30%
Total taxes collected	341,921	331,412	309,372	297,651	282,664

* Population figure is for the Regina Census Metropolitan Area (CMA) as obtained from Statistics Canada, 91.7% of the CMA population is in Regina proper.

** Household figure is for the Census Metropolitan Area (CMA) as obtained from Stats Canada 2011 census, 91.7% of the CMA population is in Regina proper. The 2010 to 2011 figures were based off the 2006 census.

*** Next census will be in 2016.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Table 11: Major Property Taxpayers in Regina in 2015

	Registered Owner	Total Taxable Assessment	% of Total Taxable Assessment
1.	Consumers' Co-operative Refineries Ltd.	245,713	1.25%
2.	Harvard Developments Inc.	171,656	0.87%
3.	Cornwall Centre Inc.	118,703	0.60%
4.	Boardwalk REIT Properties Holdings Ltd.	162,458	0.82%
5.	HDL Investments Inc.	95,522	0.48%
6.	Gordon Road Property Holdings Inc.	97,768	0.50%
7.	Regina Airport Authority	59,893	0.30%
8.	SGC Holdings Inc.	57,168	0.29%
9.	Westdale Construction Co. Ltd.	56,209	0.29%
10.	101143561 Saskatchewan Ltd.	54,826	0.28%
11.	Dream Asset Management Corporation	72,161	0.37%
12.	Enbridge Pipelines Inc.	45,767	0.23%
13.	First Willow Developments Ltd.	48,940	0.25%
14.	Arts Victoria Square Ltd.	52,605	0.27%
15.	Loblaw Properties West Inc.	45,455	0.23%
	Total	1,384,844	7.03%
	Total 2015 taxable assessment	19,700,181	-

The list of major taxpayers does not include properties where grant or payments in lieu of property tax are paid.

Fees and charges revenue has generally increased due to rate increases, with some increase over the past few years due to higher building activity. The largest portion of the increase is attributable to increased water and sewer utility rates required to fund infrastructure improvement to meet water and sewer treatment quality standards.

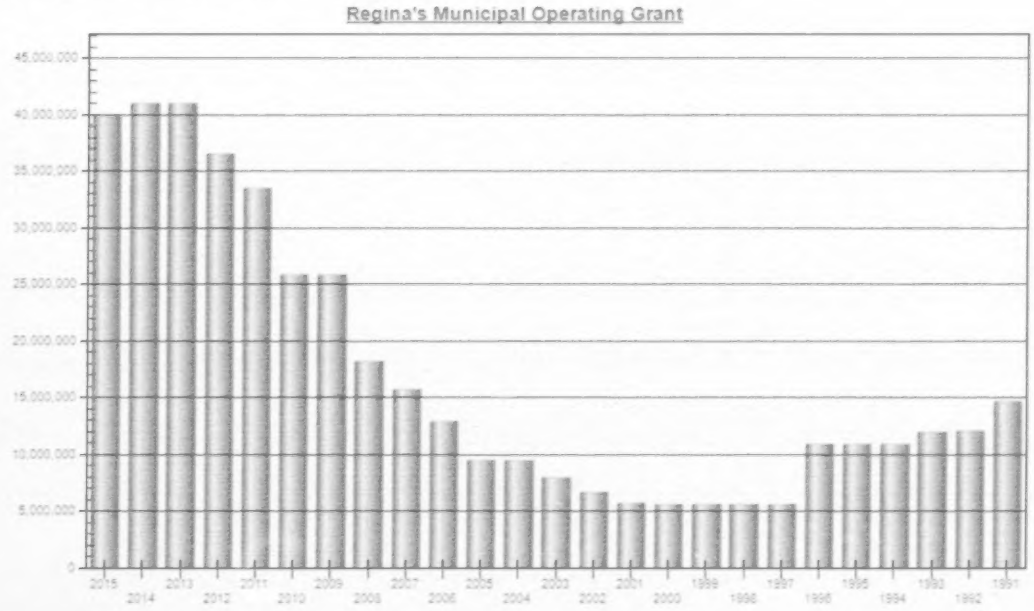
Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Government transfers include both operating and capital transfers and reflects the variability in various Federal and Provincial capital grant programs. The Provincial municipal operating grant (previously known as revenue sharing grant) is the largest single grant program available to the City of Regina. Table 12 shows the Provincial municipal operating grants received by Regina since 1991.

Table 12: Municipal Operating Grants Trends



Electrical and gas distribution revenues reflect a trend of increasing rates for electricity and volatile rates for natural gas. Electrical consumption has been relative steady over the past ten years. Electrical and gas distribution revenues increased by 3% or $0.8 million in 2015 when compared to 2014.

Contribution of tangible capital assets reflect a trend of increased development in the city.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

EXPENSES

The total operating expenses incurred by the City of Regina totalled $487.5 million in 2015. This is a decrease of $46.3 million (8.7%) from 2014. This decrease is the net result of reductions in landfill liability and expenses related to employee benefit obligations of $28.5 and $28.2 million respectively. Reductions in landfill liability and employee benefits obligations were greater than the increased expenses resulting from higher demand for services due to population growth and inflationary cost adjustments.

Table 13: Expenses – Budget to Actual and Prior Year Comparison

	2015 Budget	2015 Actual	Variance Favourable (Unfavourable)	2014 Actual	Increase (Decrease)
Parks, recreation and community services	100,289	98,529	1,760	95,132	3,397
Police	79,143	76,480	2,663	101,740	(25,260)
Legislative and administrative services	77,652	73,296	4,356	67,742	5,554
Water, wastewater and drainage	77,423	70,690	6,733	66,986	3,704
Roads and traffic	80,854	68,030	12,824	56,642	11,388
Fire	48,776	46,041	2,735	45,912	129
Transit	38,055	39,285	(1,230)	38,482	803
Waste collection and disposal	21,796	(8,128)	29,924	32,159	(40,287)
Grants	3,717	3,559	158	3,856	(297)
Planning and development	19,793	19,739	54	25,192	(5,453)
	547,498	487,521	59,977	533,843	(46,322)

The schedule above includes both operating and capital expenses.

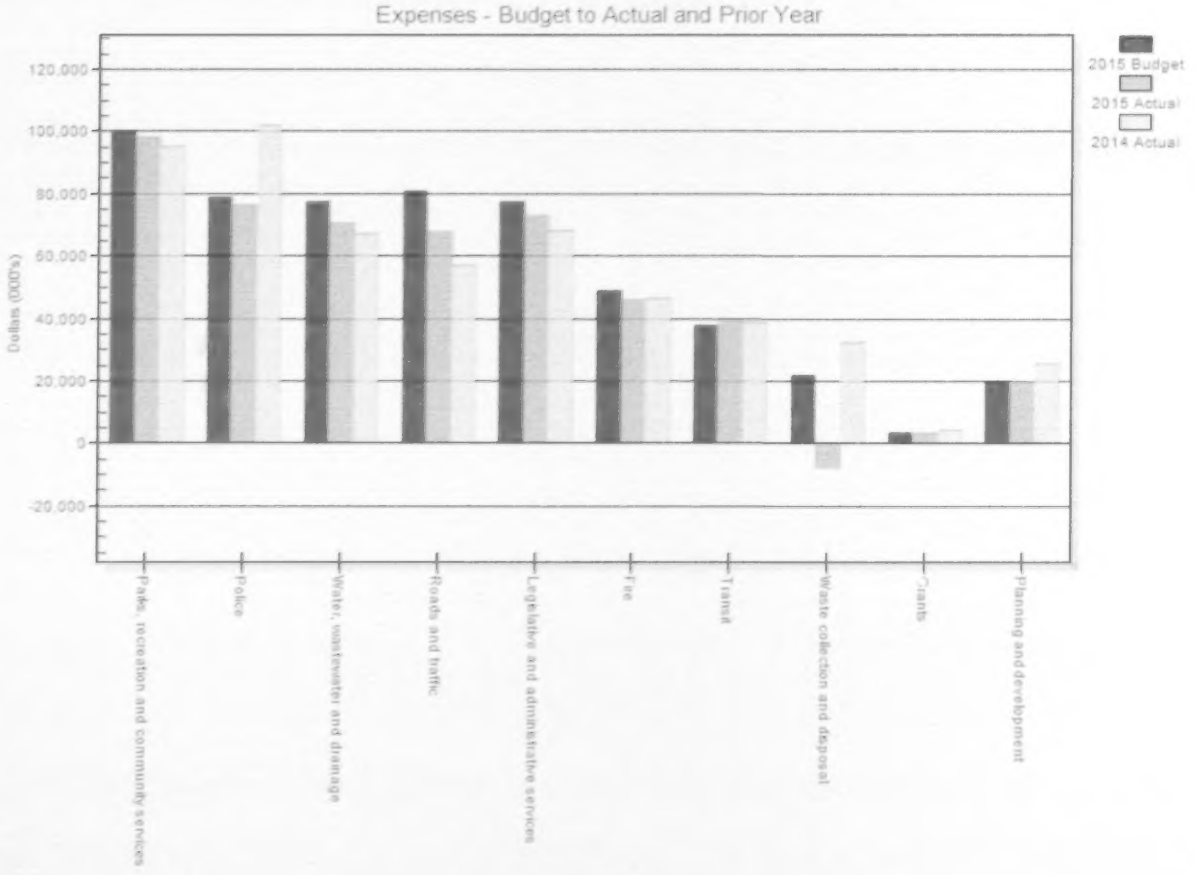
Of the total expenditures incurred, almost 65.6% is attributed to four areas: Parks, recreation and community services; Police; Legislative and administrative services and Water, wastewater and drainage.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Table 14: Expenses – Budget to Actual and Prior Year

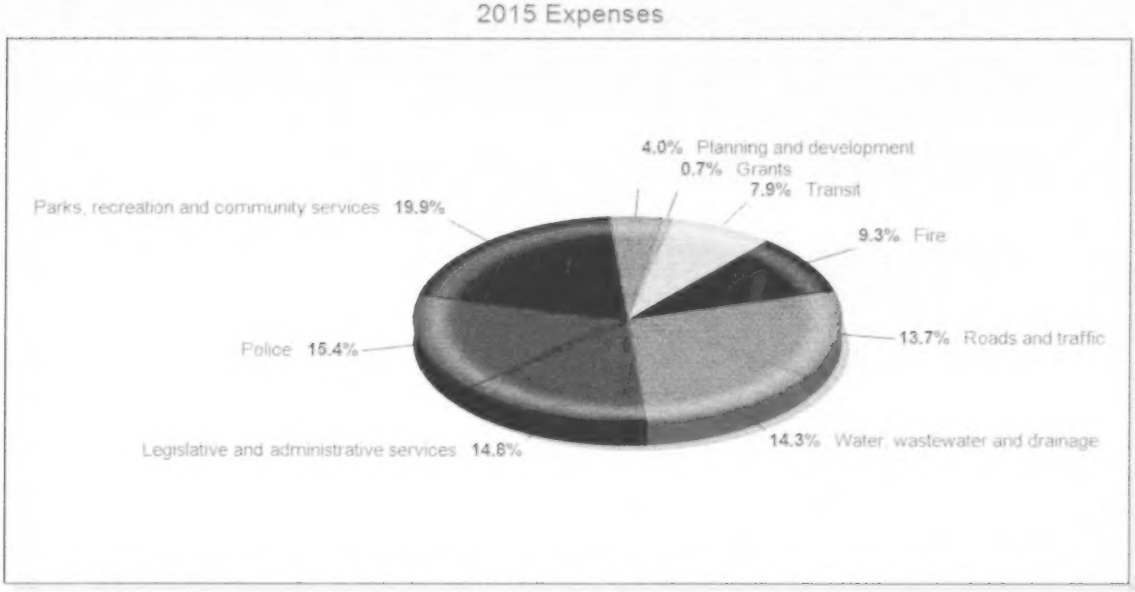


Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Table 15: 2015 Expense by Type



Water, wastewater and drainage expenses were $3.7 million higher than 2014. This increase was due to the full year payments made to EPCOR for existing facilities operation and maintenance payments. Additionally, amortization expense and utilities relating to water, wastewater and drainage also increased during the year.

Legislative and administrative services expenses were $5.6 million higher than 2014. This was due to increases in debenture debt interest, amortization expense, wages and benefits and land development cost.

Parks, recreation and community services expenses exceeded 2014 actual by $3.4 million. The main reasons for the increase were amortization expenses and wages and benefits.

Police expenses were $25.3 million below 2014 results. This was due to changes in the Police Pension Plans in 2014 which resulted in a higher expenses for 2014.

Waste Collection & Disposal expenses were $40.3 million below 2014 results. This was primarily due to a significant reduction in landfill liability resulting from changes in landfill liability estimation.

Financial Statement Discussion & Analysis

(in thousands of dollars)

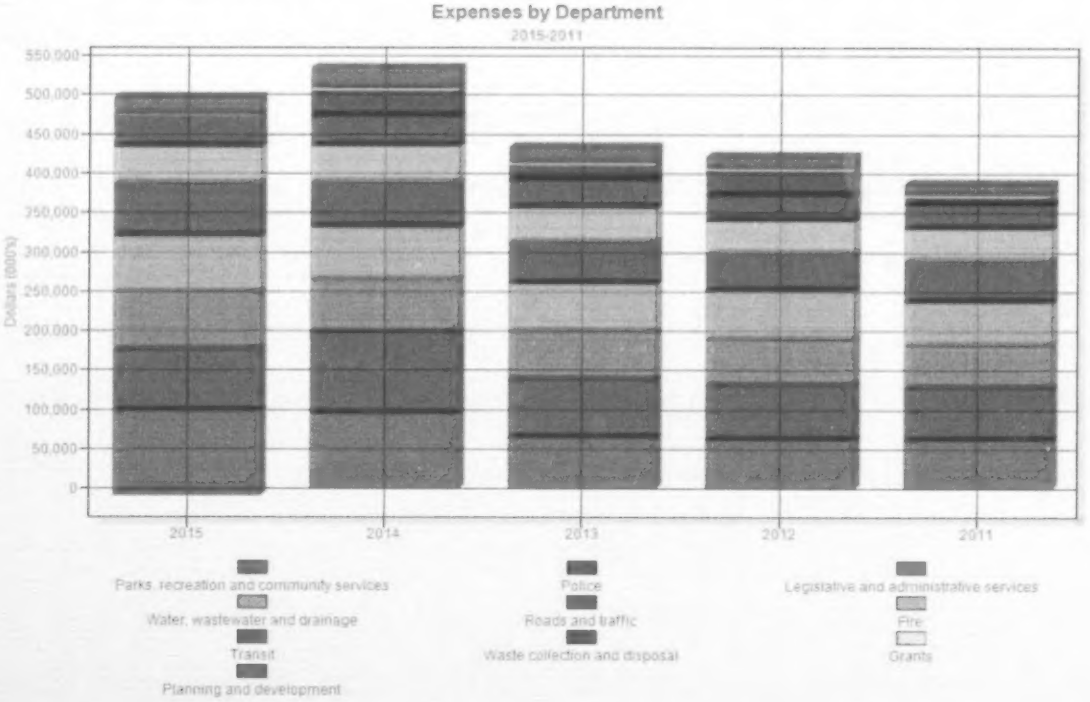
December 31, 2015

An analysis of the significant trends in expenses indicate that while the City of Regina's expenses have increased by $105.3 million over the last five years (Table 16), the increase is less than the five year increase in revenues indicating that the corporation has maintained sufficient funding to support the current level of services. Table 17 provides a graphic representation on the historical expenses by department.

Table 16: Expense Summary (Five Years)

	2015	2014	2013	2012	2011
Parks, recreation and community services	98,529	95,132	64,050	61,422	61,593
Police	76,480	101,740	73,308	69,156	65,229
Legislative and administrative services	73,296	67,742	61,147	57,510	54,055
Water, wastewater and drainage	70,690	66,986	61,435	63,392	56,153
Roads and traffic	68,030	56,642	52,085	45,783	52,397
Fire	46,041	45,912	44,083	43,575	40,950
Transit	39,285	38,482	34,312	31,049	30,494
Waste collection and disposal	(8,128)	32,159	19,712	30,977	8,490
Grants	3,559	3,856	4,459	4,575	3,968
Planning and development	19,739	25,192	18,888	14,167	13,166
Total	487,521	533,843	433,479	421,606	386,495

Table 17: Expenses by Department



Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Approximately 79% of the total expenses incurred by the City of Regina are attributed to wages and benefits, materials and contracted and general services. This has remained relatively constant for the last five years (Table 18) with wages and benefits making up more than 54% of the costs and material, supplies and contracted services being almost 25%. Table 19 and 20 provides a graphic representation on the historical expenses by object.

The number of people employed by the City of Regina in the last five years, including casual staff, is as follows:

2015 - 4,896*
2014 - 3,840**
2013 - 3,604**
2012 - 3,579**
2011 - 3,500**

* 2015 This represents the number of employees paid during the year by the City of Regina and its related entities, which include: Buffalo Pound, Regina Downtown, Regina Warehouse, Regina Public Library, Regina Exhibition and Regina Regional Opportunities Commission.

* 2011-2014 This represents the number of employees paid during the year by the City of Regina and its related entities, which include: Buffalo Pound, Regina Downtown and Regina Warehouse.

Table 18: Expense by Object

	2015	2014	2013	2012	2011
Wages and benefits	263,796	282,881	226,631	218,347	210,247
Materials, supplies and other goods	29,834	84,794	70,867	70,456	71,566
Contracted and general services	90,106	71,357	52,065	55,474	30,287
Transfer payments/grants	5,775	4,720	5,485	5,942	4,866
Utilities	18,324	15,380	16,110	12,557	14,124
Interest and bank charges	9,342	8,395	3,567	3,547	4,010
Amortization of tangible assets	70,344	66,316	58,754	55,283	51,395
Total	487,521	533,843	433,479	421,606	386,495

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Table 19 and 20 illustrates total expenses by object.

Table 19: Expense by Object

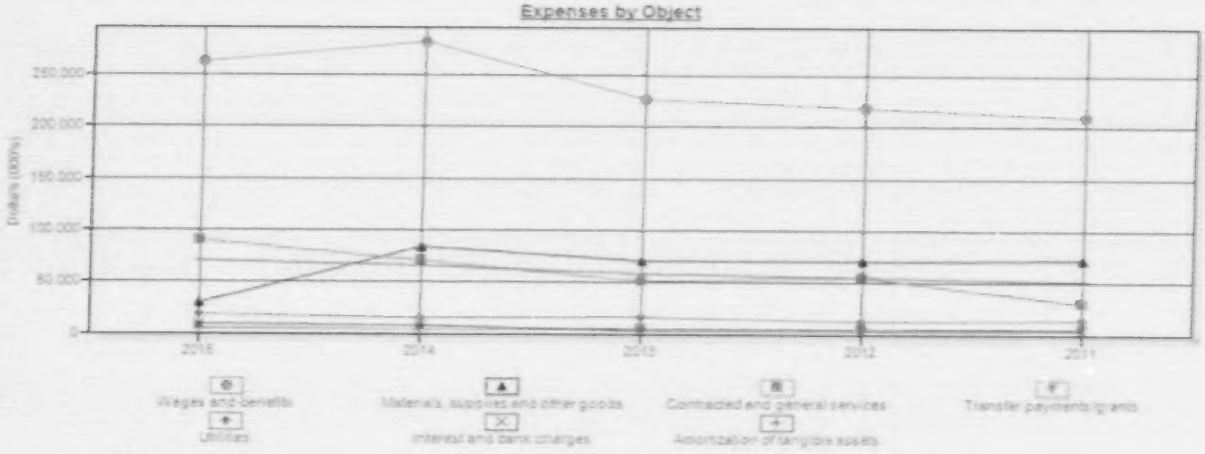
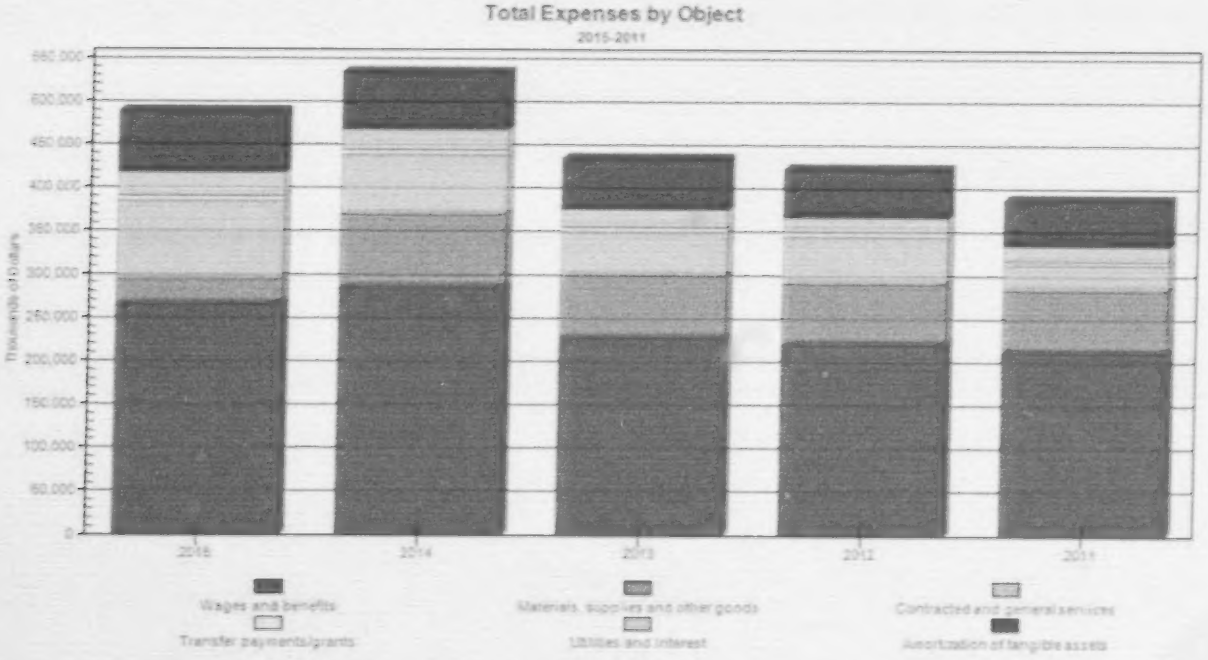


Table 20: Total Expense by Object



Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

GENERAL CAPITAL FUND

	Budget 2015	Actual 2015	Actual 2014	Actual 2013	Actual 2012	Actual 2011
Revenues						
Government transfers						
Federal	10,968	2,974	9,090	11,864	15,906	14,244
Provincial	29,508	26,820	29,626	7,051	282	5,527
Servicing agreement fees	1,519	13,798	1,697	11,126	1,343	9,419
Other revenues	5,830	16,252	1,513	850	590	20,594
	47,825	59,844	41,926	30,891	18,121	49,784
Expenses	87,576	87,578	64,939	63,258	53,239	54,414
(Expenses over revenues)	(39,751)	(27,734)	(23,013)	(32,367)	(35,118)	(4,630)

Annually, City Council approves a Capital Plan to support the Strategic Plan and to respond to the service demands of the city, which requires investment in tangible capital assets. The budget details each capital project based on the maximum forecast expenditure for the year to accommodate the planning and scheduling requirements associated with the projects. There is a higher degree of variability between actual and budget for capital projects as there is typically a portion of the budget carried forward to future years for projects not completed within the fiscal year. At the end of 2015, the carry forward amount available in the General Capital and Utility Capital funds was $125.6 million (2014 - $253.3 million).

OTHER SIGNIFICANT TRENDS

Other significant trends for the City of Regina can be determined by analyzing the Statement of Financial Position for the past five years.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Statement of Financial Position

	2015	2014	2013	2012	2011
Financial assets					
Cash	28,124	28,239	30,455	30,234	38,066
Short-term investments	271	269	374	670	12,608
Accounts receivable	42,877	42,940	62,377	61,278	51,829
Taxes receivable	4,884	4,406	4,527	2,854	2,871
Long-term investments	432,679	522,690	274,238	249,288	192,811
Property held for resale	329	329	349	42	73
	509,164	598,873	372,320	344,366	298,258
Financial liabilities					
Accounts payable and accrued liabilities	147,331	127,406	45,004	50,030	46,501
Taxes payable to school boards	5,990	6,010	5,442	5,919	5,053
Deferred revenue	44,702	44,234	35,452	28,928	17,853
Capital lease obligations	1,105	1,280	1,241	1,323	1,395
Long-term debt	271,651	228,087	77,200	81,550	89,900
Employee benefit obligations	78,948	82,221	52,743	52,009	51,110
Landfill closure and post-closure	29,124	57,630	47,337	44,160	27,186
	578,851	546,868	264,419	263,919	238,998
Net financial assets (liabilities)	(69,687)	52,005	107,901	80,447	59,260
Non-financial assets					
Tangible capital assets	1,835,703	1,549,388	1,324,081	1,207,572	1,121,240
Materials and supplies	7,802	7,516	6,754	5,807	6,287
Prepaid expense	6,625	2,077	8,241	-	-
ACCUMULATED SURPLUS (DEFICIT)	1,780,443	1,610,986	1,446,977	1,293,826	1,186,787
ANNUAL SURPLUS	169,457	146,676	153,151	108,777	90,844

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Investments

Fluctuations in long-term investments reflect the encashment of investments to settle milestone payments relating to major projects, the timing of expenditures of the funding allocated to various capital projects and management of investments to maximize interest revenue.

Accounts Receivable

Accounts receivable balance remained fairly consistent year over year.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities increased by $19.9 million in 2015 due mainly to increases in the payable balances of PCL construction, relating to the Stadium project; and EPCOR Water Prairies Inc., relating to the Wastewater Treatment Plant of $12.3 and $8.9 million respectively.

Deferred Revenue

Deferred revenues balance remained fairly consistent year over year.

***City of Regina Long-Term Debt* (Non-Consolidated)**

	2015	2014	2013	2012	2011
Total debt outstanding, beginning of year	228,087	77,200	81,550	89,900	106,600
Debt issued during year	49,603	200,400	-	-	-
Debt repayments during year	(6,039)	(49,513)	(4,350)	(8,350)	(8,350)
Total debt outstanding, December 31	271,651	228,087	77,200	81,550	89,900
General municipal debt outstanding, end of year	211,484	216,617	21,124	23,968	26,812
Water & Sewer Utility debt outstanding, end of year	10,564	11,470	56,076	57,582	63,088
WWTP debt outstanding, end of year	49,603				
Total debt outstanding	271,651	228,087	77,200	81,550	89,900
Authorized debt limit, December 31	450,000	450,000	450,000	350,000	200,000
Debt per capita ($)*	1,218	1,049	333	361	414
Debt per household ($)**	2,975	2,546	883	958	1,092
Debt per community assessed value	1.38%	1.19%	0.41%	0.85%	0.95%
Debt as a multiple of revenue	41.3%	33.5%	13.2%	15.4%	18.2%

*Population figure is for the Regina Census Metropolitan Area (CMA) as obtained from Statistics Canada, 91.7% of the CMA population is in Regina proper.

** Household figure is for the Census Metropolitan Area (CMA) as obtained from Stats Canada 2011 census,91.7% of the CMA population is in Regina proper. The 2010 to 2011 figures were based off the 2006 census.

Financial Statement Discussion & Analysis

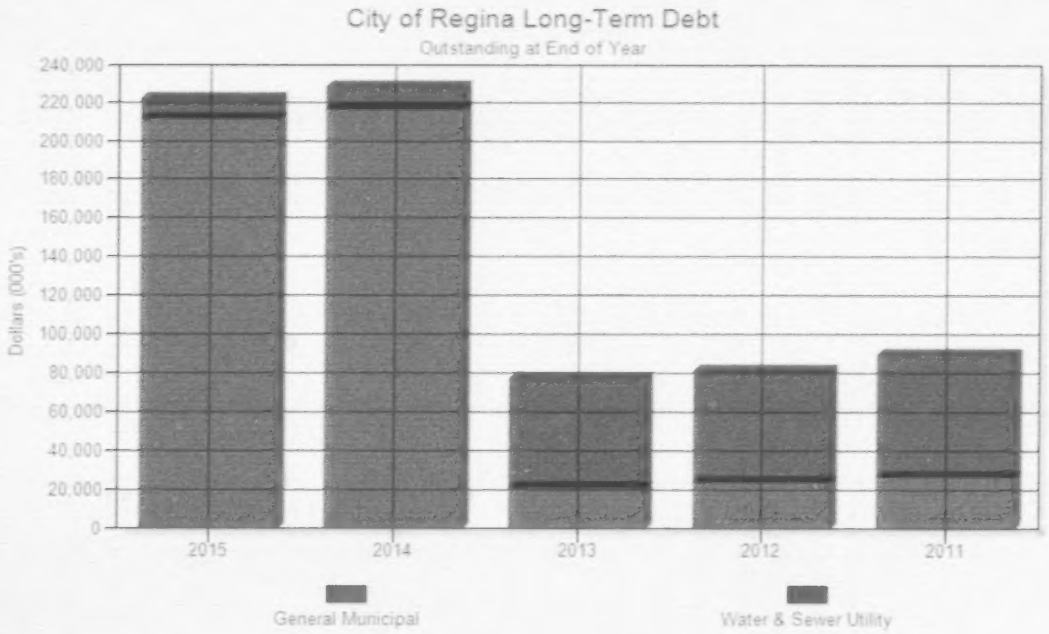
(in thousands of dollars)

December 31, 2015

Long-Term Debt

The City of Regina has an authorized debt limit of $450.0 million. This amount remains unchanged from 2014. The debt limit is approved by the Saskatchewan Municipal Board pursuant to the provisions of *The Cities Act*. The City is $178.3 million below its current debt limit.

Table 21: City of Regina Long-Term Debt



The City's tax-supported debt was $211.5 million at the end of 2015, while debt incurred to fund the Water and Sewer Utility was $10.6 million. The City incurred $49.6 million of debt in 2015 relating to the deferred payments of Wastewater Treatment Plant liability.

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

The cost of servicing the debt over the past five years is presented in the Table 22.

Table 22: City of Regina Debt Service Cost

City of Regina Debt Service Costs

	2015	2014	2013	2012	2011
General municipal debt					
Principal	4,924	3,652	2,844	2,844	2,844
Interest	8,811	7,392	1,127	1,164	1,260
	13,735	11,044	3,971	4,008	4,104
Water and Sewer Utility					
Principal	906	44,606	1,506	5,506	5,506
Interest	531	1,684	2,256	2,383	2,649
	1,437	46,290	3,762	7,889	8,155
Total	15,172	57,334	7,733	11,897	12,259
Debt service costs as a % of total expenses	3.1%	10.7%	1.8%	2.8%	3.2%

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Employee Benefit Obligations

Employee benefit obligations include liabilities for pensions, sick and severance, vacation and overtime. The increase in employee benefit obligations from 2011 to 2015 primarily reflects the impact of general wage increases and employees reaching the age of retirement. As a larger proportion of the City's work force reaches retirement age over the next five to 10 years, the cash outlays relating to this obligation will continue to grow.

Employee benefit obligations also include the liability for the Regina Police Pension. The Regina Civic Superannuation and Benefits Plan includes a larger group of employees, but since it is a multi-employer plan, it is not possible to determine the City's portion of the deficit and thus no amount is included in the Consolidated Statement of Financial Position for this Plan. As disclosed in note 8 d) of the Consolidated Financial Statements, an actuarial extrapolation completed of the plan for accounting purposes indicates a deficit of plan assets over the benefit obligation of $25.7 million at December 31, 2015 (2014 - $70.4 million deficit). The City and other employer parties in the Plan have reached an agreement with Plan members and the pension regulator to reduce the Plan deficit over the next 20 years.

	2015	2014	2013	2012	2011
City of Regina employer contributions	14,548	13,907	13,285	13,279	13,003

Tangible Capital Assets

Tangible capital assets are capitalized on the Statement of Financial Position at cost and amortized over their estimated useful lives on the Statement of Operations. The City's tangible capital assets include land, buildings, vehicles and equipment, roads and bridges, and underground and other networks.

	2015	2014	2013	2012	2011
Tangible Capital Assets - Net Book Value	1,835,703	1,549,388	1,324,081	1,207,572	1,124,240

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Reserves and Accumulated Surplus

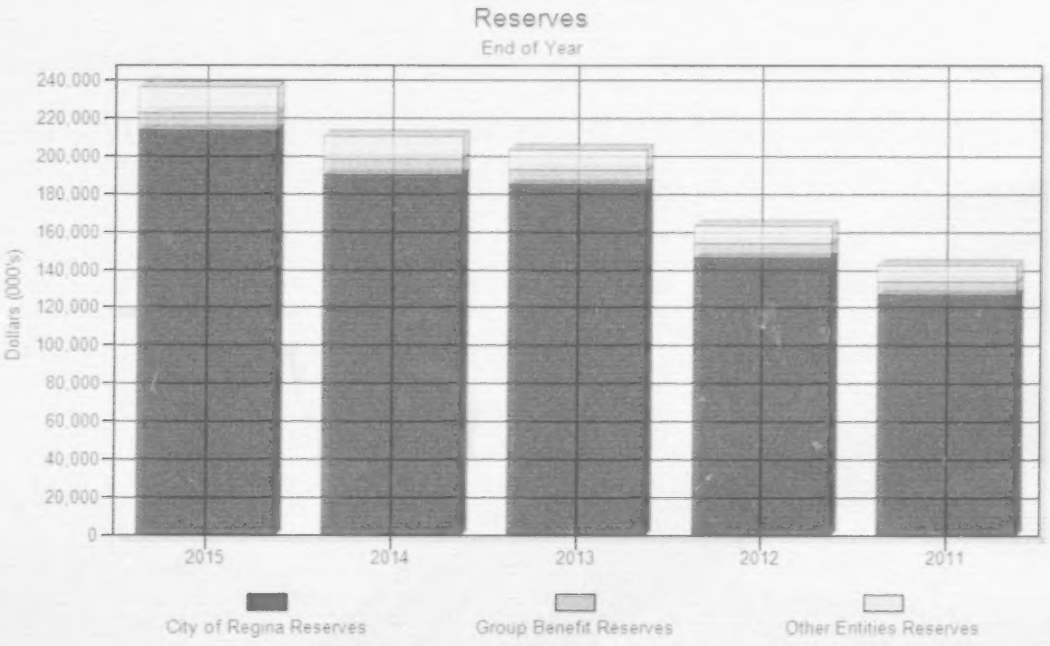
The City allocates funds to reserves to meet specific future operating and capital requirements. The largest reserves are the General Utility Reserve and General Fund Reserve, which are intended to provide funding in the event of an operating deficit, as well as for one time initiatives.

Reserves increased by $94.4 million from 2011 to 2015 due to the approved transfers to fund the eligible capital projects and other expenses.

The General Utility Reserve, which is included in the City Reserves, increased $30.5 million from 2011 to 2015, this was primarily due to Water and Sewer Utility Fund surpluses and return of funds from projects.

Reserve balances totalled $236.7 million at the end of 2015 (2014 - $210.7 million).

	2015	2014	2013	2012	2011
Reserves					
City of Regina Reserves	213,733	190,131	185,150	146,321	126,623
Group Benefits Reserves	9,010	8,827	8,041	7,801	7,621
Other Entities Reserves	13,977	11,714	10,617	9,127	8,033
	236,720	210,672	203,808	163,249	142,277



Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

REGINA REVITALIZATION INITIATIVE

The Regina Revitalization Initiative (RRI) is a large scale redevelopment project which was launched by the City of Regina in May 2011 as a vision to develop a new stadium and redevelop two large areas of land in Regina's inner-city. Ultimately, the project will contribute to increase the density of Regina's population by providing new sites within the City where residential development can occur, hence reducing the need for Greenfield development. The primary activity of the RRI in 2015 was the construction of the new stadium, which will be ready for occupancy in 2017.

The following is a Statement of Financial Position and a Statement of Operations relating to the RRI-stadium project:

Statement of Financial Position

	2015	2014
Financial assets		
Accounts receivable	-	10
Long term investments	114,685	214,600
	114,685	214,610
Financial liabilities		
Accounts payable and accrued liabilities	56,177	43,867
Long-term debt	194,425	197,904
	250,602	241,771
Net financial assets (liabilities)	(135,917)	(27,161)
Non-financial assets		
Tangible capital assets	199,993	62,855
ACCUMULATED SURPLUS (DEFICIT)	64,076	35,694

Financial Statement Discussion & Analysis

(in thousands of dollars)

December 31, 2015

Statement of Operations

	2015	2014
Revenues		
Taxation	2,292	1,482
Government transfers	25,000	25,000
Third party revenue	-	90
Interest on portfolio investments	6,057	5,823
Realized gains on portfolio investments	3,000	1,131
	36,349	33,526
Expenses		
Interest expense	7,967	6,073
Commission on borrowing	-	703
	7,967	6,776
Annual Surplus	28,382	26,750
ACCUMULATED SURPLUS, BEGINNING OF YEAR	35,694	8,944
ACCUMULATED SURPLUS, END OF YEAR	64,076	35,694

MANAGEMENT'S REPORT

RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements and all other information contained in this report are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). The preparation of the statements necessarily includes some amounts, which are based on the best estimates and judgments of management. Financial data elsewhere in this report is consistent with that of the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded and that the financial records are reliable for the preparation of financial statements.

The Finance and Administration Committee, established by City Council, comprises five elected officials, along with the Mayor as an ex-officio member. The Committee, in addition to considering a variety of financial and administrative issues, reviews the content of the annual financial report for presentation to City Council, and reviews external audit reports.

Deloitte LLP Chartered Professional Accountants, the City's appointed external auditors, have audited the consolidated financial statements. Their report to the Mayor and City Council, stating the scope of their examination and opinion on the consolidated financial statements, follows.

Ian Rea, Chief Financial Officer
Corporate Services
May 30, 2016

Chris Holden,
City Manager & Chief Administrative Officer

Deloitte.

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Mezzanine Level
Bank of Montreal Building
Regina SK S4P 3Z8
Canada

Tel: 306-565-5200
Fax: 306-757-4753
www.deloitte.ca

INDEPENDENT AUDITOR'S REPORT

To His Worship the Mayor and Members of City Council

We have audited the accompanying consolidated financial statements of the City of Regina and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Regina and its subsidiaries as at December 31, 2015, and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Professional Accountants

May 30, 2016
Regina, Saskatchewan

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2015	2014
FINANCIAL ASSETS		
Cash	**$ 28,124**	$ 28,238
Short-term investments (Note 4)	**271**	269
Accounts receivable (Note 3)	**42,877**	42,941
Taxes receivable	**4,884**	4,406
Long-term investments (Note 5)	**432,679**	522,690
Property held for resale (Note 12)	**329**	329
	509,164	598,873
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	**147,331**	127,406
Taxes payable to school boards	**5,990**	6,010
Deferred revenue (Note 18)	**44,702**	44,234
Capital lease obligations (Note 6)	**1,105**	1,280
Long-term debt (Note 7)	**271,651**	228,087
Employee benefit obligations (Note 8)	**78,948**	82,221
Landfill closure and post-closure (Note 10)	**29,124**	57,630
	578,851	546,868
NET FINANCIAL (DEBT) ASSETS	**(69,687)**	52,005
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	**1,835,703**	1,549,388
Materials and supplies	**7,802**	7,516
Prepaid	**6,625**	2,077
ACCUMULATED SURPLUS (Note 13)	**$ 1,780,443**	$ 1,610,986

Commitments and contingent liabilities (Note 11)

See accompanying notes to consolidated financial statements.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

	Budget 2015	Actual 2015	Actual 2014
REVENUE			
Taxation (Note 15)	$ 225,667	$ 227,973	$ 216,711
Fees and charges	199,981	217,052	193,182
Government transfers (Note 16)	91,418	87,661	88,684
Electrical distribution	22,450	24,417	23,124
Licenses, fines and levies	14,272	14,211	13,394
Gas distribution	7,000	7,076	7,587
Interest and penalties	1,294	1,833	1,661
Interest on portfolio investments	12,944	18,940	15,024
Realized gains on portfolio investments	-	8,311	3,488
Servicing agreement fees	3,086	20,339	10,979
Land sales	3,503	3,877	7,735
Other	6,957	11,174	7,119
Contribution of tangible capital assets	-	14,114	37,745
Restructuring (Note 21)	-	-	54,086
	588,572	656,978	680,519
EXPENSES			
Parks, recreation and community services	100,289	98,529	95,132
Police	79,143	76,480	101,740
Legislative and administrative services	77,652	73,296	67,742
Water, wastewater and drainage	77,423	70,690	66,986
Roads and traffic	80,854	68,030	56,787
Fire	48,776	46,041	45,912
Transit	38,055	39,285	38,482
Waste collection and disposal (Note 10)	21,796	(8,128)	32,014
Grants	3,717	3,559	3,856
Planning and development	19,793	19,739	25,192
	547,498	487,521	533,843
Excess of Revenues over Expenses	41,074	169,457	146,676
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	1,610,986	1,446,977
Restructuring (Note 21)	-	-	17,333
ACCUMULATED SURPLUS, BEGINNING OF YEAR AFTER RESTRUCTURING	-	1,610,986	1,464,310
ACCUMULATED SURPLUS, END OF YEAR	$ 41,074	$ 1,780,443	$ 1,610,986

See accompanying notes to consolidated financial statements.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL (DEBT) ASSETS

	Budget 2015	**Actual 2015**	Actual 2014
Excess of Revenues over Expenses	$ -	**$ 169,457**	$ 146,676
Acquisition of tangible capital assets	(362,829)	**(362,829)**	(224,501)
Amortization of tangible capital assets	70,344	**70,344**	66,316
Proceeds on disposal of tangible capital assets	-	**4,445**	987
Loss on disposal of tangible capital assets	-	**1,725**	4,765
Restructuring (Note 21)	-	**-**	(54,086)
Decrease in net financial assets upon REAL restructuring (Note 21)	-	**-**	(1,910)
	(292,485)	**(286,315)**	(208,429)
Net change in materials and supplies	-	**(286)**	(355)
Net change in prepaid	-	**(4,548)**	6,212
	-	**(4,834)**	5,857
Decrease in net financial assets	(292,485)	**(121,692)**	(55,896)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	52,005	**52,005**	107,901
NET FINANCIAL (DEBT) ASSETS, END OF YEAR	$ (240,480)	**$ (69,687)**	$ 52,005

See accompanying notes to consolidated financial statements.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED STATEMENT OF CASH FLOWS

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of Revenue over Expenses	$ 169,457	$ 146,676
Non-cash items		
Amortization of tangible capital assets	70,344	66,316
Loss on disposal of tangible capital assets	1,725	4,765
Contribution of tangible capital assets	(14,114)	(37,745)
Realized gains on portfolio investments	(8,311)	(3,488)
Restructuring (Note 21)	-	(51,043)
Net change in non-cash working capital balances		
Decrease in accounts receivable	64	21,290
(Increase) decrease in taxes receivable	(478)	121
Decrease in accounts payable and accrued liabilities	(85,991)	(6,826)
(Decrease) increase in taxes payable to school boards	(20)	568
Increase in deferred revenue	468	7,099
(Decrease) increase in capital lease obligations	(175)	39
(Decrease) increase in employee benefit obligations	(3,273)	29,478
(Decrease) increase in landfill closure and post-closure liability	(28,506)	10,293
Decrease in property held for resale	-	20
(Increase) in materials and supplies	(286)	(355)
(Increase) decrease in prepaid	(4,548)	6,212
	96,356	193,420
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets	(193,196)	(102,134)
Proceeds on disposal of tangible capital assets	4,445	987
	(188,751)	(101,147)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchase) sale of short-term investments	(2)	105
Sale (purchase) of long-term investments, net	98,322	(244,964)
	98,320	(244,859)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Debt issued	-	200,400
Repayment of long-term debt	(6,039)	(50,031)
	(6,039)	150,369
DECREASE IN CASH	(114)	(2,217)
CASH, BEGINNING OF YEAR	28,238	30,455
CASH, END OF YEAR	$ 28,124	$ 28,238

See accompanying notes to consolidated financial statements.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements of the City of Regina (City) are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the City are as follows:

a. Reporting entity

The Consolidated Financial Statements reflect the assets, liabilities, revenues, expenses, changes in accumulated surplus, changes in net financial assets and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises which are controlled by the City, namely:

- General operating and capital funds
- Water and sewer utility operating and capital funds
- Regina Public Library Board (RPL)
- Regina Regional Opportunities Commission (RROC)
- Regina Downtown Business Improvement District (RDBID)
- Regina's Warehouse Business Improvement District (RWBID)
- Regina Exhibition Association Limited (REAL)

Inter departmental and inter organizational transactions and balances have been eliminated.

The City has a 74.14% (2014 - 74.05%) interest in the Buffalo Pound Water Administration Board (BPWAB), a government partnership, that is proportionately consolidated.

The Regina Public Library has a 21.78% (2014 - 21.72%) interest in the Saskatchewan Information and Library Services Consortium Inc. (SILS), which has been proportionately consolidated.

The Regina Exhibition Association Ltd. (REAL) was incorporated in 1907 pursuant to an act of the Legislature of the Province of Saskatchewan, being C. 41, Statutes of Saskatchewan. On January 1, 2014, REAL was transitioned from the Province of Saskatchewan to the City and was continued under *The Non-Profit Act, 1995* (Saskatchewan) and the City became the sole owner of the issued Class A voting membership of REAL. See Note 21 for further details.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Revenue recognition

Revenues are recorded using the accrual basis of accounting whereby revenues are recognized as they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Property tax revenue is based on assessments determined in accordance with provincial legislation and the formulas, principles and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded net of a provision for potential losses on outstanding assessment appeals and uncollected taxes. By their nature, these provisions are subject to measurement uncertainty and the impact on the financial statements of future periods could be material (Note 15). Penalties on overdue taxes are recorded in the period levied.

Electrical distribution revenues consist of the municipal surcharge and payments in lieu of taxes received from SaskPower. The municipal surcharge revenue and payments in lieu of taxes are equal to 10% and 5%, respectively of the value of the supply of electrical energy provided by SaskPower to customers within the City limits.

Gas distribution revenues mainly consist of the payments in lieu of taxes received from SaskEnergy and TransGas. The payment in lieu of taxes received from SaskEnergy is equal to 5% of the fees levied by SaskEnergy to customers within the City limits. The payment in lieu of taxes received from TransGas is equal to 5% of the transportation fees and the deemed value of the gas transmitted by TransGas to consumers within the City limits. Pursuant to an agreement with the City for two major consumers who are served by TransGas, the 5% payments to the City in lieu of taxes are based on the transportation costs and the deemed value of the fuel stock consumed.

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the amounts can be made.

c. Expense recognition

Expenses are recorded using the accrual basis of accounting whereby expenses are recognized as they are incurred and measurable based upon receipt of goods and services and/or the legal obligation to pay.

d. Use of estimates

The preparation of Consolidated Financial Statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates include accrued liabilities, employee benefit obligations, landfill liability, contribution of tangible capital assets, provision on tax appeals, and the amortization of tangible capital assets.

e. Materials and supplies

Inventories of materials and supplies are valued at the lower of net realizable value and average cost.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Taxes collected for others

The City collects taxes for the Regina Separate School Board, the Regina Public School Board and the Global Transportation Hub Authority. These taxes, which are not included in the City's financial results, are remitted to the respective entities less an amount to offset cancellations relating to school taxes and the City's cost in carrying the receivables.

g. Deferred revenue

The City receives servicing agreement fees, payments in lieu of parking and payments in lieu of dedication of land for public reserve under the authority of provincial legislation and City bylaws. The City also receives special taxes levied pursuant to Section 275 of *The Cities Act*, which are to be expended on alley maintenance. As well, the City receives various government grants for special programs offered by either the Provincial or Federal governments. These funds are restricted as to their use and are not recognized as revenue until the fiscal period in which they are used to make qualifying expenses.

Deferred revenue also includes monies received in advance for taxes, transit passes, servicing and sub-division revenue, prepaid cemetery revenue and pre-season sales from the various recreational facilities.

h. Employee benefit plans

The City participates in contributory defined benefit or defined contribution pension plans for virtually all of its employees. Under the defined contribution plan, the City's obligations are limited to its contributions. These contributions are expensed in the period in which they are due and payable.

Costs related to defined benefit pension plans considered to be single-employer plans, the costs are recognized when earned by Plan members. Pension benefits obligations are actuarially determined using the projected benefit method prorated on service and the pension plan administrator's best estimate of expected salary and benefit escalation and retirement ages of employees. Market rates are used to measure the accrued benefit obligation, as well as the assets of the pension plans. Actuarial gains and losses on pension obligations and/or pension fund assets are amortized over the average remaining service life of the related employee groups.

For defined benefit plans considered to be multiemployer plans, contributions are expensed when they are due and payable.

The City has various post-employment benefits and termination benefit obligations earned by employees and expected to be provided to them when they are no longer providing active service.

The obligations for vested sick leave, service or retirement allowances and other post employment benefits have been determined on an actuarial basis. The obligations for vacation pay and banked time in lieu of overtime have been accounted for at an undiscounted value at the current rate of pay.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

General	
Land improvements	10 to 100 years
Buildings and building improvements	15 to 75 years
Vehicles and equipment	
Fire trucks and buses	15 to 30 years
Police vehicles	4 to 10 years
Other vehicles	2 to 25 years
Equipment	4 to 50 years
Office and information technology	
Hardware	2 to 15 years
Software	2 to 10 years
Other	10 years
Infrastructure	
Plants and facilities	5 to 75 years
Roads	1 to 40 years
Underground networks	5 to 100 years
Bridges and other structures	15 to 70 years

Assets under construction are not amortized until the asset is available for productive use. Interest on debt used to purchase tangible capital assets is not capitalized.

Tangible capital assets received as contributions, which are primarily roads and underground networks, are recorded at their fair value at the date of receipt and also are recorded as revenue. Fair value is determined based on an estimate of the cost to construct the contributed asset.

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases and recorded as tangible capital assets. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Land under roads that is acquired other than by a purchase agreement is valued at a nominal cost. Works of art and historical treasures are not recognized in these Consolidated Financial Statements.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Budget information

Budget information is presented on a basis consistent with that used for actual results, the budget was approved by Council on December 8, 2014.

k. Investments

All investments are recorded at cost less write downs to reflect other temporary declines in value. Investment transactions are accounted for at the trade date. Interest income is recorded on the accrual basis.

l. Foreign currency

Monetary items denominated in foreign currency are translated to Canadian dollars at exchange rates in effect as at December 31, and non-monetary items are translated at rate of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions or at rates of exchange established by the terms of the forward foreign exchange contract. Gains (losses) on foreign currency translation are included as revenues (expenses).

2. NEW STANDARDS AND AMENDMENTS TO STANDARDS

PS 3260, Liability for Contaminated Sites establishes standards on remediation, recognition and measurement and provides requirements for financial statement presentation and disclosure. This standard is applicable for fiscal years beginning on or after April 1, 2014, however it had no impact on the preparing of these Consolidated Financial Statements. The City continues to review its policies, procedures and systems to ensure consistent and accurate identification and estimation of liabilities associated with contaminated sites.

The following new standard and amendment to standards are effective for fiscal years beginning on or after January 1, 2017:

Introduction to Public Sector Accounting Standards

Standards and amendments effective for financial statements on or after April 1, 2017:

PS 2200, Related Party Disclosures

PS 3210, Assets

PS 3320, Contingent Assets

PS 3380, Contractual Rights

PS 3420, Inter-entity Transactions

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. NEW STANDARDS AND AMENDMENTS TO STANDARDS (CONTINUED)

Standards and amendments effective for financial statements on or after April 1, 2018:

PS 3430, Restructuring Transactions

Standards and amendments effective for financial statements on or after April 1, 2019:

PS 1201, Financial Statement Presentation

PS 2601, Financial Currency Translation

PS 3041, Portfolio Investments

PS 3450, Financial Instruments

The extent of the impact on adoption of these standards is not known at this time.

3. ACCOUNTS RECEIVABLE

	2015	2014
Trade and other receivable	**28,192**	26,956
Water and sewer receivable	**14,685**	13,949
Government transfers receivable	-	2,036
	42,877	42,941

4. SHORT-TERM INVESTMENTS

Short term investments are recorded at cost and have a fair value approximating cost. The investments are in a money market fund, holdings of which may include a combination of treasury bills, commercial paper, bankers' acceptances or promissory notes. The average yield earned from investments was 0.80% (2014 - 1.10%).

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. LONG-TERM INVESTMENTS

Long-term investments include investments in a pooled bond fund.

	Carrying Value		Fair Value	
	2015	2014	**2015**	2014
Pooled bond fund	**432,679**	522,690	**433,275**	530,751

A pooled bond fund is a group of individual bonds managed by an investment manager. The fair value of the pooled bond fund units is based on the market price per unit, which is determined by the overall market values of each of the bonds in the fund. The average yield earned from investments was 3.25% (2014 - 3.62%).

6. CAPITAL LEASE OBLIGATIONS

The following is a schedule of future minimum lease payments under capital leases for computer equipment, software and building contracts along with the balance of the capital lease obligation:

2016	**515**
2017	**364**
2018	**191**
2019	**35**
Total minimum lease payments	**1,105**

7. LONG-TERM DEBT

Debenture debt

The City's long-term debt consists of $221,826 (2014 - $227,655) of unsecured debentures issued in the form of fully registered certificates held by The Canadian Depository for Securities Ltd. (CDS), on behalf of beneficial owners as direct and indirect participants of CDS. The debentures are issued for 10 or 30-year terms with principal payable either annually or semi-annually and interest payable semi-annually.

Obligation under long-term financing agreement – Public Private Partnership (P3)

During construction of the Wastewater Treatment Plant (WWTP), the City records a portion of the project cost as construction in progress, using the construction cost to date and an equivalent liability to the EPCOR Water Prairies Inc.. The long-term debt represents the deferred capital payments portions of the project cost based on the terms of the agreement. Upon completion, the City amortizes the accumulated cost of the completed project over its useful life, expenses the annual interest cost and settled the long-term liability over the term of the project agreement.The City has $49,603 (2014 - $nil) of long-term debt. Debt is under a 27-year term with principal and interest payable monthly.The entire principal is due 2044.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

	2015	2014
City of Regina unsecured debentures and loan		
Operating fund	**211,261**	216,185
Utility fund	**10,564**	11,470
WWTP debt - long term	**49,603**	-
Loans payable	**223**	432
Total debt	**271,651**	228,087
Authorized debt limit	**450,000**	450,000
Interest rates	**3.40-6.462%**	3.40-5.20%
Interest costs for year	**9,342**	8,157

Bank indebtedness

Pursuant to *The Regina Administration Bylaw No. 2003-69*, the City can incur bank indebtedness. Interest on this indebtedness is calculated at the prime rate of interest less 0.5%, payable monthly and the City has pledged certain revenues as security for the debt obligation. At December 31, 2015, the City had no bank indebtedness.

The long-term debt is repayable as follows:

2016	**6,143**
2017	**7,249**
2018	**7,475**
2019	**25,697**
2020-2045	**225,087**
	271,651

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT OBLIGATIONS

The City's employee benefit obligations to be funded in the future are as follows:

	Total 2015	Total 2014
Defined benefit pension plans		
Regina Police Superannuation and Benefits Plan	**26,997**	29,360
RPPP Supplemental Pension Plan	**2,745**	2,688
Target Retirement Income Plan	**(2,738)**	(1,099)
	27,004	30,949
Other benefit plans		
Termination payments	**23,438**	21,426
Continuation of group life, medical and dental benefits	**8,599**	10,279
	32,037	31,705
Other plans and arrangements		
Vacation	**16,097**	15,407
Overtime	**3,422**	3,785
Group life, medical and dental plans	**388**	375
	19,907	19,567
	78,948	82,221

a. Defined benefit pension plans

The Regina Police Superannuation and Benefits Plan is a defined benefit pension plan. As required by provincial legislation, an actuarial funding valuation is completed at least triennially.

By Memorandum of Agreement dated January 21, 2013 the City and the Employees' Pension Committee agreed to freeze the Regina Police Pension Plan (RPPP) as of June 30, 2014, and to establish the Target Retirement Income Plan (TRIP) for the Regina Police Service as of July 1, 2014. All active members in the RPPP moved over to the TRIP for service on or after July 1, 2014. There are no longer any active members accruing service in the RPPP.

Effective July 1, 2014, the Regina Police Superannuation and Benefits Pension Plan was amended per Amendment 2014-1 which served to close the plan to new entrants, freeze pensionable service, cease employee contributions and change the cost sharing arrangement of the Plan, such that the City assumes full responsibility for all past and future unfunded liabilities in the plan. Prior to this amendment, and as shown in the Consolidated Financial Statements for prior years, the City was responsible for reporting approximately 51% of the Plan's accrued benefit liability. As a result of the amendment to the Plan effective July 1, 2014 the City is now responsible for reporting 100% of the Plan's accrued benefit liability and assets.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

a. Defined benefit pension plans (continued)

The RPPP Supplemental Pension Plan supersedes and replaces The Regina Police Civilian Employees' Early Retirement Benefits Arrangement (CEERBA). The purpose of the Plan is to provide certain early retirement pensions to civilian employees of The Regina Board of Police Commissioners whose early retirement pensions are reduced. These early retirement pensions were previously covered under the CEERBA and now form part of the new plan, however there are also reduced pensions that were not previously covered by CEERBA but now form part of the new plan.

An actuarial valuation of the defined benefit pension plans is performed using the projected benefit method prorated on service to determine the accrued benefit obligation and the expense to be recognized in the consolidated financial statements.

The results of the most recent actuarial valuations and significant assumptions utilized in these valuations are as follows:

	Target Retirement Income Plan	Police Pension Plan	RPPP Supplemental Pension Plan	Total 2015	Total 2014
Fair value of plan assets, beginning of year	4,493	293,305	-	297,798	137,892
Plan amendment	-	-	-	-	131,643
Employees' contributions	4,826	-	-	4,826	5,655
Employer contributions	4,680	3,495	-	8,175	6,968
Actual return on plan assets	(188)	24,513	-	24,325	33,486
Less benefits paid	(169)	(17,584)	-	(17,753)	(17,846)
Fair value of plan assets, end of year	13,642	303,729	-	317,371	297,798
Accrued benefit obligation, beginning of year	3,822	317,485	2,688	323,995	153,682
Plan amendment	-	-	-	-	148,921
Current period benefit cost	7,928	-	-	7,928	7,749
Interest on accrued benefit obligation	501	20,991	179	21,671	20,622
Actuarial loss	-	-	-	-	10,942
Less benefits paid	(169)	(17,584)	(122)	(17,875)	(17,921)
Accrued benefit obligation, end of year	12,082	320,892	2,745	335,719	323,995
Funded status, plan surplus (deficit)	1,560	(17,163)	(2,745)	(18,348)	(26,197)
Unamortized net actuarial loss (gain)	1,178	(9,834)	-	(8,656)	(4,752)
Accrued benefit asset (liability)	2,738	(26,997)	(2,745)	(27,004)	(30,949)

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

	Target Retirement Income Plan	Police Pension Plan	RPPP Supplemental Pension Plan	Total 2015	Total 2014
Current period benefit cost	7,928	-	-	7,928	7,749
Net actuarial loss due to plan amendment	-	-	-	-	1,519
Loss due to plan settlements and curtailments	-	-	-	-	14,553
Amortization of actuarial (gain) loss	33	(393)	-	(360)	3,185
Employee contributions	(4,826)	-	-	(4,826)	(5,655)
Interest expense	501	20,991	179	21,671	20,622
Expected return on plan assets	(595)	(19,466)	-	(20,061)	(18,926)
Change in valuation allowance	889	-	-	889	671
Benefit expense	3,930	1,132	179	5,241	23,718

The actuarial valuations were performed by Aon Consulting Inc.

	Target Retirement Income Plan	Police Pension Plan	RPPP Supplemental Pension Plan
Date of most recent valuation	Jul 1, 2014	Dec 31, 2013	Dec 31, 2013
Discount rate (%)	6.50	6.80	6.80
Inflation rate (%)	2.50	2.50	2.50
Long term return rate on plan assets (%)	6.50	6.80	n/a
Rate of compensation increase (%)	3.00	3.00	3.00
Expected average remaining service years	13.13	13.20	13.20
Contribution rate as a percentage of salary:			
Members prior to July 1, 2014	n/a	11.33%-12.83%	0.00%
Members post July 1, 2014	6.80%-10.70%	0.00%	0.00%
City prior to July 1, 2014	n/a	11.83%-13.33%	variable
City post July 1, 2014	8.50%	6.19%	variable

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

b. Other benefit plans

Pursuant to union agreements, eligible employees are entitled to termination payments based upon their unused sick leave or years of service.

Group life, medical and dental benefits represents the obligation for the continuation of group life insurance, dental and medical benefits for employees on long-term disability and the City's share of group life insurance for early retirees.

Retirees may continue group life insurance coverage to age 65 on a 50% cost-shared basis with the City. Employee and employer premiums for continuation of group life insurance for employees on long-term disability are fully funded through contributions maintained in a reserve. Medical and dental coverage for employees on long-term disability is provided on a 50% cost shared basis between the employee and employer.

A group life insurance plan is administered by Saskatchewan Blue Cross on a self-insured basis, with a stop loss provision limiting losses to claims in excess of 150% of premiums for any calendar year. The primary components of the plan are funded equally by employer and employees. Dental and medical plans are also provided for most employees on a cost-shared or employer-funded basis.

For group life insurance, the balance of the employer and employee premiums collected in excess of claims are held in group insurance reserves, which are intended for future benefits and stabilization of premiums. The employer's portion of the obligations under the group insurance plan that will be funded from the reserves is reflected in Other Benefit Plans. Amounts held in the reserves that reflect obligations to be funded from employee contributions have been included in Accounts Payable and Accrued Liabilities. The balance of the group life insurance reserves, after reflecting the liabilities for the employee and employer share of future obligations, is $5,162 (2014 - $5,120). This amount has been included in Group Benefits Reserves (Note 14).

Actuarial valuations are performed to determine the accrued benefit obligation and the expense to be recognized in the financial statements. The results of and significant assumptions utilized in these valuations are as follows:

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

	City employees	Library employees	Group life, medical and dental plans	Total 2015	Total 2014
Accrued benefit obligation, beginning of year	20,353	1,073	10,279	31,705	27,414
Current period benefit cost	1,745	84	702	2,531	3,094
Interest on accrued benefit obligation	518	26	267	811	925
Actuarial (gain) loss	784	(58)	(1,640)	(914)	2,191
Less benefits paid	(1,058)	(82)	(1,009)	(2,149)	(1,256)
Change in assumptions	-	-	-	-	(826)
Unamortized net actuarial gain	-	53	-	53	163
Accrued benefit liability - unfunded	22,342	1,096	8,599	32,037	31,705
Current period benefit cost	1,745	84	-	1,829	1,297
Amortization of actuarial loss (gain)	246	(5)	-	241	(79)
Interest expense	518	26	-	544	589
Benefit expense	2,509	105	-	2,614	1,807

	Aon Consulting Inc.		Mercer
Date of most recent valuation	Dec 31, 2014	Dec 31, 2013	Dec 31, 2015
Discount rate (%)	2.0	2.2	2.0-3.0
Rate of compensation increase (%)	4.0-4.9	3.6-5.5	3.6-3.7
Expected average remaining service years	11-15	9	n/a

c. Other plans and arrangements

Employees are entitled to vacation pay and overtime as outlined in administrative policies and/or contractual agreements. The liability for these benefits is determined using current rates of pay and is not discounted.

Out of scope employees are contractually entitled to certain pensions and termination payments. BPWAB employees are entitled to termination payments based upon years of service or unused sick leave. Benefits start to vest after 10 or 15 years of service and are recognized as expenses when they are vested.

Group life, medical and dental plans represents the liability for claims in progress and claim fluctuations under those plans at the end of the year.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

d. Multiemployer defined benefit plans

Two multiemployer defined benefit plans provide benefits to employees of the City of Regina, the Qu'Appelle Health Region (the Regina General Hospital Division and Community Health Division), Buffalo Pound Water Administration Board, Regina Public Library, and the non-teaching staff of the Board of Education of the Regina School Division No. 4 of Saskatchewan. The following represents the amounts for these plans:

	Superannuation & Benefit Plan	Long-Term Disability Plan	**Total 2015**	Total 2014
Benefit expense	14,548	1,150	**15,698**	14,457
(Deficit) surplus of plan assets over benefit obligation per plan financial statements	(25,727)	33,421	**7,694**	(46,256)
Contribution rate as a percentage of salary:				
Members	9.42 - 13.96%	0.92%		
Employers	9.42 - 13.96%	0.92%		
City employee contributions	14,519	1,149	**15,668**	14,347
Date of most recent actuarial valuation	Dec 31, 2014	Dec 31, 2014		

The contributions by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. The portion of the annual benefit costs and of the asset surpluses (deficits) that are attributable to the City cannot be easily determined. Accordingly, the multiemployer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plans are recognized in these Consolidated Financial Statements. The benefit expense reflected in the Consolidated Financial Statements is equal to the City's contributions for the year.

A valuation was performed as at December 31, 2014 establishing a minimum funding requirement. In accordance with the Minimum Funding Regulations and the Plan's funding policy, the unfunded liability determined by the December 31, 2014 valuation will be amortized over a period of no more than 20 years commencing January 1, 2016. The cost sharing arrangement was amended such that 60% of the unfunded liability for service prior to January 1, 2016 was to be funded by the participating employer contributions and 40% from employee contributions.

e. Defined contribution pension plan

The Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan is a defined contribution plan. Pension fund assets are invested in marketable investments of organizations external to the City. Benefit expense is limited to the City's contributions to the plan.

	2015	2014
Casual employee members' contribution rate	**3.00 %**	3.00 %
Elected official members' contribution rate	**6.95 %**	6.95 %
Members' contributions	**329**	308
Benefit expense	**329**	308

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2015	2014
General		
Land	**107,169**	99,308
Land improvements	**61,122**	56,370
Buildings and building improvements	**128,141**	128,105
Vehicles and equipment	**141,151**	132,912
Office and information technology	**14,532**	8,280
Infrastructure		
Plants and facilities	**194,982**	198,431
Roads	**345,508**	340,394
Underground and other networks	**458,047**	446,777
Bridges and other structures	**21,117**	15,264
	1,471,769	1,425,841
Assets under construction	**363,934**	123,547
	1,835,703	1,549,388

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 3).

During the year write downs of assets were $nil (2014 - $nil). In addition, tangible capital assets contributed to the City totalled $14,114 (2014 - $37,745), which were capitalized and recorded as revenue at their fair value at the time of receipt.

During the year, tangible capital assets of $129,342 (2014 - $40,755) were included as assets under construction and a related accounts payable and accrued liability of $49,739 (2014 - $40,755) and long-term debt of $49,603 (2014 - $nil) were recorded in relation to the Wastewater Treatment Plant.

During the year, tangible capital assets of $178,091 (2014 - $43,867) were included as assets under construction and a related accounts payable and accrued liability of $56,177 (2014 - $43,867) were recorded in relation to the Regina Revitalization Initiative Stadium Project.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. LANDFILL CLOSURE AND POST-CLOSURE

Legislation requires closure and post-closure care of solid waste landfill sites. Closure care includes final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	2015	2014
Estimated closure and post-closure costs over 40 years after capacity is reached	**50,636**	93,619
Discount rate	**3.62 %**	3.61 %
Expected year capacity will be reached	**2030**	2028
Capacity (m3):		
Used to date	**10,938,072**	10,193,453
Remaining	**3,556,053**	1,122,247
Total	**14,494,125**	11,315,700
Percent utilized	**75.47 %**	90.08 %
Landfill liability	**29,124**	57,630

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of groundwater and leachates from the site, and ongoing environment monitoring, site inspection and maintenance. The liability recognized in the financial statements is subject to measurement uncertainty. The recognized amounts are based on the City's best information and judgment. Amounts could change by more than a material amount in the long term. At December 31, 2015, as a result of engineering cost valuation, landfill closure and post-closure care liability assessment was estimated using data for when landfill site stops accepting waste rather than on a phase closure plan. The engineering cost valuation of the landfill liability is based on estimated future expenses in current dollars by applying a discount rate at the City's average long-term borrowing rate of 3.62% (2014 - 3.61%) and inflation rate of 2.32% (2014 - 6.5%). In addition, during the year management also extended the useful life of the site by expanding its capacity. These changes had the effect of decreasing the liability by $28.5 million for the year ended December 31, 2015, which also had an impact on the waste and collection disposal expense in the current year.

The unfunded liability for the landfill will be paid for per the annual approved budget where capital expenditures will be funded from the Solid Waste Reserve and operational expenses will be funded through the operating budget, resulting in a reduction in the transfer to the Solid Waste Reserve.

Financial assurance on projects related to construction liability, including landfill are handled as follows: Requirement of a Performance Bond and a Labour & Material Payment Bond, both in the amount of 50% of the total contract price for each contract. The Performance Bond is typically in place through the two-year warranty period and provides assurance that the contractor will perform and complete the contracted work. If they do not, the bonding company will either take over the project to completion or compensate the owner up to the value of the bond for completion of the work.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. LANDFILL CLOSURE AND POST-CLOSURE (CONTINUED)

The labour & material payment bond protects the owner from a general contractor not paying their subcontractors or material suppliers. The bonding company would pay any unpaid subcontractors or material suppliers up to the value of the bond.

Builder's Lien Holdback - A provincial act requires that the City withhold payment each progress certificate for 45 days. Similar to the Labour & Material Payment Bond the intent is to protect subcontractors and material suppliers who do not get paid by the general contractor.

Deficiency Holdback - The City contract provides the right for the owner to withhold payment for deficient work. Typically the holdback is not released until the deficiency is corrected and in some case it will not be released if the contractor decides to not complete the work.

Insurance - The City contract requires the general contractor to have insurance jointly in the name of the City for each project. The City has fairly significant general requirements for all contracts and include special insurance requirements for unique projects. ie. environmental insurance for environment selective projects.

11. COMMITMENTS AND CONTINGENT LIABILITIES

1) As at December 31, 2015, the expected commitment related to the Wastewater Treatment Plant is $305,703. The P3 Canada Fund has approved federal funding for up to 25% of the eligible costs, this funding is estimated at approximately $48,200. The Wastewater Treatment Plant is being pursued as a P3 project and has qualified for P3 funding from the Government of Canada. On May 29, 2014 the City announced that EPCOR Water Prairies Inc. as the preferred proponent to design, build, finance, operate and maintain the City's new Wastewater Treatment Plant. EPCOR has taken on operations for the existing facility. The new facility is expected to be substantially complete in December 2016. EPCOR will also operate the new facility until June 2044.

The payment schedule is as follows:

	Total
2016	**6,467**
2017	**10,573**
2018	**10,206**
2019	**13,256**
2020 through 2044	**265,201**
	305,703

2) North Central Shared Facility Expense Sharing Agreement - The expense sharing agreement is made between the Board of Education of the Regina School Division No. 4 of Saskatchewan, the City and the Regina Public Library Board. The City's share is 21.4% and based on that the City has authorized a maximum contribution of $8,800. As at December 31, 2015 the total contributed was $3,234.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

3) Mosaic Stadium Replacement – The City entered into an agreement on May 7, 2014, to design, build and finance the Regina Revitalization Initiative (RRI) Stadium Project. Construction of the new Mosaic Stadium started in May 2014, and the target completion date is August 2016.

The target payment schedule is as follows:

Payments:	Amounts	Payment Target Date
Milestone payment	**22,739**	April 30, 2016
Substantial completion payment	**82,671**	August 31, 2016
Total	**105,410**	

4) Taylor Field Neighbourhood – This project relates to the development of the area where the current Mosaic Stadium is located. Significant work is not expected to start until the stadium is decommissioned in 2017. No expenditures were incurred in 2015.

5) Railyard Renewal – This project relates to the development of the old CP Railyard.

6) As at December 2015, the City of Regina had an undrawn stand-by letter of credit, which have been issued in the maximum amount of $650.

12. PROPERTY HELD FOR RESALE

Property acquired through the tax enforcement process and held for sale is recorded at the lesser of cost and net realizable value. Cost is equal to the outstanding taxes including any applicable penalties, as well as the costs incurred in acquiring the land. The valuation allowance reflects a potential reduction in the carrying value that may be realized upon sale. Land acquired other than through the tax enforcement process and held for sale is recorded at lower of cost or net realizable value.

	2015	2014
Property held for resale	**416**	609
Valuation allowance	**(416)**	(609)
Property held for resale, net of allowance	**-**	-
Acquired property held for resale, net of allowance	**329**	329
	329	329
Property held for resale, estimated fair value - unaudited	**6,745**	12,953

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. ACCUMULATED SURPLUS

Accumulated surplus represents the equity of an organization. In determining accumulated surplus, revenues and expenses are recognized as they are earned and incurred, according to PSAS.

Council through its annual budget process and other policies and bylaws may fund certain amounts on a basis that differs from the expense recognition basis prescribed by PSAS.

Unappropriated surpluses represent equity relating to certain entities consolidated within the City's Financial Statements that have not been designated for a specific use by that entity.

Appropriations for capital projects and reserves represent amounts that have been internally restricted for specific purposes.

Obligations to be funded from future revenues represent amounts recognized as expenses according to PSAS, that will be funded from future revenues.

Infrastructure to be funded from future service agreement fees represent infrastructure that has been constructed by the City, the costs of which are expected to be funded from future service agreement fees.

	2015	2014
Unappropriated surpluses:		
Regina Downtown Business Improvement District	**42**	96
Regina Regional Opportunities Commission	**298**	71
Regina Public Library	**718**	1,606
Regina's Warehouse Business Improvement District	**75**	35
Regina Exhibition Association Ltd.	**167**	892
Tangible capital assets	**1,835,703**	1,549,388
Appropriated surpluses:		
General capital projects	**130,638**	233,262
Utility capital projects	**(4,939)**	20,014
Reserves (Note 14)	**236,720**	210,672
Infrastructure to be funded from future servicing agreement fees:		
Water, wastewater and drainage	**(38,151)**	(35,832)
Obligations to be funded from future revenues:		
Long-term debt	**(271,651)**	(228,087)
Employee benefit obligations	**(78,948)**	(82,221)
Landfill closure and post-closure	**(29,124)**	(57,630)
Capital lease obligations	**(1,105)**	(1,280)
Accumulated surplus	**1,780,443**	1,610,986

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. RESERVES

	2015	2014
City of Regina reserves:		
General utility reserve	**79,868**	68,825
Facility reserve	**1,000**	800
General fund reserve	**32,577**	30,731
Landfill reserve	**20,765**	16,421
Regina revitalization initiative-stadium reserve	**28,467**	32,875
Land development reserve	**3,224**	4,309
Asset revitalization reserve	**18,600**	10,029
Equipment replacement reserve	**4,278**	4,061
Social development reserve	**5,529**	4,664
Operational commitments reserve	**482**	321
Planning & sustainability reserve	**8,524**	7,969
Winter road maintenance reserve	**3,902**	3,563
Regina Police Service general reserve	**819**	714
Asphalt reserve	**2,320**	1,502
Grants reserve	**487**	529
Golf course reserve	**293**	508
Technology reserve	**490**	572
Employer provided parking reserve	**1,189**	884
Cemetery reserve	**528**	472
Pest management reserve	**350**	337
Regina Police Service radio equipment reserve	**41**	45
	213,733	190,131
Group Benefits reserves:		
Group life insurance reserve	**5,162**	5,120
Dental benefits reserve	**2,157**	2,103
Medical - City of Regina reserve	**1,148**	1,071
Police services premium reduction reserve	**421**	375
Police long-term disability reserve	**122**	158
	9,010	8,827
Other Entities reserves:		
Regina Public Library reserves	**11,353**	8,937
Buffalo Pound Water Administration Board capital replacement reserve	**1,933**	2,127
Regina Downtown Business Improvement District reserve	**471**	471
Regina's Warehouse Business Improvement District infrastructure reserve	**220**	179
	13,977	11,714
	236,720	210,672

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. TAXATION REVENUE

	Budget 2015	Actual 2015	Actual 2014
Total taxation revenue levied	-	**351,590**	337,666
Taxes levied on behalf of others:			
Regina School Division No. 4	-	**(84,437)**	(82,110)
Global Transportation Hub Authority	-	**(1,591)**	(1,268)
Regina Roman Catholic Separate School Division No. 81	-	**(37,589)**	(37,577)
Taxation revenue	225,667	**227,973**	216,711
City of Regina			
Municipal levies	179,036	**180,751**	170,117
Grants in lieu	22,899	**23,058**	22,561
Supplementary taxes	1,600	**1,551**	2,135
Other	1,769	**1,875**	1,828
	205,304	**207,235**	196,641
Regina Public Library			
Taxation levies	18,069	**18,510**	17,680
Grants in lieu	1,267	**1,189**	1,210
	19,336	**19,699**	18,890
Regina Downtown Business Improvement District levies	801	**803**	948
Regina's Warehouse Business Improvement District levies	226	**236**	232
	225,667	**227,973**	216,711

Taxation revenues are recorded net of an allowance for uncollectible outstanding taxes and a provision for potential losses on assessment appeals outstanding. As at December 31, 2015, the following amounts are reflected in the Consolidated Statement of Financial Position for these provisions:

		2015	2014
Allowance for doubtful outstanding taxes netted against taxes receivable	-	**3,201**	2,698
Provision for assessment appeals included in accounts payable	-	**1,204**	1,588

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. GOVERNMENT TRANSFERS

	Budget 2015	2015	2014
Operating transfers			
Federal	41,484	**41,418**	40,344
Provincial	9,458	**16,449**	9,624
	50,942	**57,867**	49,968
Capital transfers			
Federal	10,968	**2,974**	9,090
Provincial	29,508	**26,820**	29,626
	40,476	**29,794**	38,716
	91,418	**87,661**	88,684

Government transfers do not include grants in lieu of taxes received from the Federal and Provincial governments. These amounts are included with taxation revenue (Note 15).

17. GOVERNMENT PARTNERSHIP

BPWAB operates under an agreement between the Cities of Moose Jaw and Regina. Its purpose is to operate the water treatment plant at Buffalo Pound Lake and to supply water to the two cities at cost. Any (recovery) distribution of annual operating (deficit) surplus is shared between the cities according to their respective usage.

The following is a schedule of relevant financial information as stated within the financial statements of BPWAB for the year ended December 31, 2015 in thousands of dollars. There are no known contractual obligations or contingencies as at December 31, 2015. These amounts represent 100% of the Board's financial position and activities:

	2015	2014
Financial assets	**4,904**	4,650
Tangible capital assets	**21,563**	22,078
Other non-financial assets	**110**	133
Total assets	**26,577**	26,861
Total liabilities	**2,958**	2,396
Net assets	**23,619**	24,465

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. GOVERNMENT PARTNERSHIP (CONTINUED)

	2015	2014
Revenue	**10,794**	10,383
Expenses	**12,882**	11,421
Net loss	**(2,088)**	(1,038)

The above amounts are proportionately consolidated within the consolidated financial statements at 74.14% (2014 – 74.05%), the City's interest in the government partnership. After eliminating transactions between the City and the partnership, the following amounts have been included in the consolidated statements:

	2015	2014
Financial assets	**1,893**	2,734
Financial liabilities	**(1,101)**	(903)
Non-financial assets	**15,529**	17,174
Net assets	**16,321**	19,005
Revenue	**1,388**	974
Expenses	**8,299**	7,427

18. DEFERRED REVENUE

	December 31, 2014	Externally restricted inflows	Revenue earned	**December 31, 2015**
Gas Taxes	-	5,957	-	**5,957**
Servicing agreement fees	32,670	1,101	(12,662)	**21,109**
Property taxes	1,024	-	(319)	**705**
Paved Alleys	2,413	3,411	(3,425)	**2,399**
Gravel Alleys	944	1,786	(1,802)	**928**
Cemetery Internments	681	-	(108)	**573**
REAL	1,111	5,500	(869)	**5,742**
Other	5,391	3,988	(2,090)	**7,289**
	44,234	21,743	(21,275)	**44,702**

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. FUNDS HELD IN TRUST

The City of Regina administers the following trusts. As related assets are not owned by the City, the trusts have been excluded from the consolidated financial statements. Following is a summary of the net assets of the trusts:

	2015	2014
Perpetual Care Trust	2,633	2,622
Williamson Driver Award	5	5
	2,638	2,627

20. SEGMENTED INFORMATION

The City is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, and public transit, and water. The organizational structure includes the Operations Group, which is led by a Deputy City Manager/Chief Operations Officer, the Corporate Services Group which, is led by Chief Financial Officer and Legal, and Governance and Strategy is led by two Executive Directors. The three divisions under Operations Group are City Services, Planning & Development, and Transportation & Utilities. The segmented information in these statements reflect the organizational structure described. For management reporting purposes, the City's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. The financial activities of the City reported by Fund are included in Schedule 1. City services are provided by groups/divisions and their activities are reported in these funds. Certain divisions that have been separately disclosed in the segmented information in Schedule 2, along with the services they provide, are as follows:

a. City Services

City Service includes Community Services, Service Regina, Parks and Open Space services, and Transit Services provide external customer services to public residents.

b. Transportation & Utilities

Transportation & Utilities is responsible to ensure the City's infrastructure systems are effectively preserved, funded, and operated. This division preserves and operates municipal infrastructure involving roadways, traffic, water, drainage, waste water and solid waste to meet regulatory requirements and community needs.

c. Planning & Development

Planning & Development provides a long-term comprehensive approach to planning, engineering and development processes to ensure the efficient use of land and community infrastructure. The division encompasses land use, neighbourhood, transportation and infrastructure planning, long range capital planning, development review, building permits and inspection, and real estate services.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. SEGMENTED INFORMATION (CONTINUED)

d. Regina Police Services

Regina Police Services is responsible for the delivery of policing services within the municipality and dedicated to a safe and caring community.

e. Corporate Services

Corporate Services provides services and support to both internal and external customers, enabling City Operations to maximize effectiveness and potential. Corporate Services includes Finance, Information Technology Services, Human Resources, Fleet Services, Strategy Management and Facilities Management Services.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Operations by Segment (Schedule 2).

21. RESTRUCTURING

The City entered into a continuation of business agreement with the Province of Saskatchewan on January 1, 2014 and became the sole owner of the Class A voting membership of REAL for $1. The City accounted for this as a restructuring transaction whereby the individual assets and liabilities were recognized at their carrying amount on January 1, 2014.

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION **Schedule 1**

	General Operating	Utility Operating	General Capital	Utility Capital	Total City of Regina
REVENUES					
Taxation	207,766	-	-	-	207,766
Fees and charges	69,280	118,652	181	482	188,595
Government transfers	51,822	-	34,246	-	86,068
Electrical distribution	24,417	-	-	-	24,417
Licenses, fines and levies	13,859	-	352	-	14,211
Gas distribution	7,076	-	-	-	7,076
Interest and penalties	1,596	204	-	-	1,800
Interest on portfolio investments	19,304	-	250	(614)	18,940
Realized gains on portfolio investments	8,311	-	-	-	8,311
Servicing agreement fees	831	-	13,798	5,710	20,339
Land sales	3,877	-	-	-	3,877
Other	20,486	149	5,902	1,342	27,879
Contribution of tangible capital assets	-	-	12,914	1,200	14,114
	428,625	119,005	67,643	8,120	623,393
EXPENSES					
Parks, recreation and community services	39,208	-	2,236	-	41,444
Police	73,680	-	605	-	74,285
Legislative and administrative services	58,711	-	3,934	-	62,645
Water, wastewater and drainage	(61)	58,291	-	8,021	66,251
Roads and traffic	24,258	-	20,709	-	44,967
Fire	44,198	-	604	-	44,802
Transit	34,466	-	591	-	35,057
Waste collection and disposal	(9,612)	-	327	-	(9,285)
Grants	5,805	-	5,500	-	11,305
Planning and development	19,739	-	-	-	19,739
Amortization	-	-	46,764	15,616	62,380
	290,392	58,291	81,270	23,637	453,590
Excess of Revenues over Expenses	138,233	60,714	(13,627)	(15,517)	169,803

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION **Schedule 1**

RDBID	RROC	BPWAB	RPL	RWBID	REAL	Consolidation adjustments	**Consolidated 2015**
802	-	-	19,699	236	-	(530)	**227,973**
-	741	7,693	652	13	26,873	(7,515)	**217,052**
28	1,720	-	1,149	4	939	(2,246)	**87,662**
-	-	-	-	-	-	-	**24,417**
-	-	-	-	-	-	-	**14,211**
-	-	-	-	-	-	-	**7,076**
-	-	32	-	-	-	-	**1,832**
-	-	-	-	-	-	-	**18,940**
-	-	-	-	-	-	-	**8,311**
-	-	-	-	-	-	-	**20,339**
-	-	-	-	-	-	-	**3,877**
75	-	22	-	4	2,600	(19,406)	**11,174**
-	-	-	-	-	-	-	**14,114**
905	2,461	7,747	21,500	257	30,412	(29,697)	**656,978**
901	2,209	-	17,092	164	28,267	(2,438)	**87,639**
-	-	-	-	-	-	-	**74,285**
-	-	-	-	-	-	(10)	**62,635**
-	-	7,031	-	-	-	(19,503)	**53,779**
-	-	-	-	-	-	-	**44,967**
-	-	-	-	-	-	-	**44,802**
-	-	-	-	-	-	-	**35,057**
-	-	-	-	-	-	-	**(9,285)**
-	-	-	-	-	-	(7,746)	**3,559**
-	-	-	-	-	-	-	**19,739**
52	16	1,295	2,217	10	4,374	-	**70,344**
953	2,225	8,326	19,309	174	32,641	(29,697)	**487,521**
(48)	236	(579)	2,191	83	(2,229)	-	**169,457**

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT **Schedule 2**

	City Services	Transportation & Utilities	Planning & Development	Regina Police Service	Corporate Services	Total City of Regina
REVENUES						
Taxation	-	-	193,634	-	14,132	207,766
Fees and charges	34,843	25,267	6,738	622	121,125	188,595
Government transfers	27,388	3,548	560	7,223	47,349	86,068
Electrical distribution	-	-	-	-	24,417	24,417
Licenses, fines and levies	4,027	1,556	4,965	-	3,663	14,211
Gas distribution	-	-	-	-	7,076	7,076
Interest and penalties	-	-	1,596	-	204	1,800
Interest on portfolio investments	118	-	-	-	18,822	18,940
Realized gains on portfolio investments	-	-	-	-	8,311	8,311
Servicing agreement fees	757	-	1,588	-	17,994	20,339
Land sales	-	-	3,877	-	-	3,877
Other	324	1,608	6,170	1,544	18,233	27,879
Contribution of tangible capital assets	1,602	3,495	-	-	9,017	14,114
	69,059	35,474	219,128	9,389	290,343	623,393
EXPENSES						
Wages and benefits	74,630	38,390	16,603	64,817	38,713	233,153
Materials, supplies, and other goods	24,065	(12,515)	970	4,044	16,260	32,824
Contracted and general services	4,985	2,868	11,307	5,025	58,849	83,034
Utilities	166	15,379	-	361	3,430	19,336
Transfer payments/grants	66	1	5,510	37	7,907	13,521
Interest	-	-	-	-	9,342	9,342
Amortization	9,686	39,836	-	2,196	10,662	62,380
	113,598	83,959	34,390	76,480	145,163	453,590
Excess of Revenues over Expenses	(44,539)	(48,485)	184,738	(67,091)	145,180	169,803

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT **Schedule 2**

RDBID	RROC	BPWAB	RPL	RWBID	REAL	Consolidation adjustments	Consolidated 2015
802	-	-	19,699	236	-	(530)	227,973
-	741	7,693	652	13	26,873	(7,515)	217,052
28	1,720	-	1,149	4	939	(2,246)	87,662
-	-	-	-	-	-	-	24,417
-	-	-	-	-	-	-	14,211
-	-	-	-	-	-	-	7,076
-	-	32	-	-	-	-	1,832
-	-	-	-	-	-	-	18,940
-	-	-	-	-	-	-	8,311
-	-	-	-	-	-	-	20,339
-	-	-	-	-	-	-	3,877
75	-	22	-	4	2,600	(19,406)	11,174
-	-	-	-	-	-	-	14,114
905	2,461	7,747	21,500	257	30,412	(29,697)	656,978
468	1,187	2,475	12,194	1	14,318	-	263,796
109	59	2,016	4,898	11	5,596	(15,679)	29,834
324	963	1,237	-	152	6,007	(1,611)	90,106
-	-	1,303	-	-	2,346	(4,661)	18,324
-	-	-	-	-	-	(7,746)	5,775
-	-	-	-	-	-	-	9,342
52	16	1,295	2,217	10	4,374	-	70,344
953	2,225	8,326	19,309	174	32,641	(29,697)	487,521
(48)	236	(579)	2,191	83	(2,229)	-	169,457

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT **Schedule 2**

	City Services	Transportation & Utilities	Planning and Development	Regina Police Services	Corporate Services	Total City of Regina
REVENUES						
Taxation	-	-	184,379	-	12,762	197,141
Fees and charges	28,057	24,166	6,344	664	109,229	168,460
Government transfers	1,332	10,070	894	7,157	67,652	87,105
Electrical distribution	-	-	-	-	23,124	23,124
Licenses, fines and levies	4,300	457	4,725	-	3,912	13,394
Gas distribution	-	-	-	-	7,587	7,587
Interest and penalties	-	-	1,437	-	192	1,629
Interest on portfolio investments	112	-	-	-	14,912	15,024
Realized gains on portfolio investments	-	-	-	-	3,488	3,488
Service agreement fees	846	-	1,344	-	8,789	10,979
Land sales	-	-	7,735	-	-	7,735
Other	476	1,269	183	1,354	14,673	17,955
Contribution of tangible capital assets	1,399	29,617	-	-	6,729	37,745
Restructuring	-	-	-	-	-	-
	36,522	65,579	207,041	9,175	273,049	591,366
EXPENSES						
Wages and benefits	74,216	38,666	15,276	89,319	35,659	253,136
Material, supplies and other goods	24,569	41,534	2,108	3,935	16,300	88,446
Contracted and general services	9,048	8,492	19,209	6,247	23,605	66,601
Utilities	168	11,902	12	366	4,159	16,607
Transfer payments/grants	102	12	4,610	40	1,605	6,369
Interest	-	-	-	-	8,395	8,395
Amortization	9,338	37,731	-	1,834	9,645	58,548
	117,441	138,337	41,215	101,741	99,368	498,102
Excess of Revenues over Expenses	(80,919)	(72,758)	165,826	(92,566)	173,681	93,264

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT **Schedule 2**

RDBID	RROC	BPWAB	RPL	RWBID	Real	Consolidation adjustments	Consolidated 2014
948	-	-	18,888	233	-	(499)	**216,711**
-	684	6,711	677	-	23,920	(7,270)	**193,182**
-	1,123	-	1,016	-	1,090	(1,650)	**88,684**
-	-	-	-	-	-	-	**23,124**
-	-	-	-	-	-	-	**13,394**
-	-	-	-	-	-	-	**7,587**
-	-	32	-	-	-	-	**1,661**
-	-	-	-	-	-	-	**15,024**
-	-	-	-	-	-	-	**3,488**
-	-	-	-	-	-	-	**10,979**
-	-	-	-	-	-	-	**7,735**
84	-	3	-	4	2,600	(13,527)	**7,119**
-	-	-	-	-	-	-	**37,745**
-	-	-	-	-	54,086	-	**54,086**
1,032	1,807	6,746	20,581	237	81,696	(22,946)	**680,519**
357	1,108	2,297	11,650	10	14,323	-	**282,881**
103	60	1,419	5,319	-	4,678	(15,231)	**84,794**
334	686	1,029	-	137	4,118	(1,548)	**71,357**
-	-	1,263	-	-	2,028	(4,518)	**15,380**
-	-	-	-	-	-	(1,649)	**4,720**
-	-	-	-	-	-	-	**8,395**
47	21	1,279	2,296	10	4,115	-	**66,316**
841	1,875	7,287	19,265	157	29,262	(22,946)	**533,843**
191	(68)	(541)	1,316	80	**52,434**	-	**146,676**

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS — **Schedule 3**

	General				
	Land	Land improvements	Buildings and building improvements	Vehicles and equipment	Office and information technology
Cost					
Balance, beginning of year	99,309	127,134	193,338	242,832	22,228
Add:					
Additions during the year	9,081	7,611	6,255	25,276	6,823
Transfers from assets under construction	-	159	38	3,242	4,239
Less:					
Disposals during the year	1,221	575	121	14,354	2,202
Balance, end of year	107,169	134,329	199,510	256,996	31,088
Accumulated amortization					
Balance, beginning of year	-	70,764	65,289	109,865	13,948
Add:					
Amortization	-	2,976	6,222	18,959	4,810
Less:					
Accumulated amortization on disposals	-	533	142	12,979	2,202
Balance, end of year	-	73,207	71,369	115,845	16,556
Net Book Value	107,169	61,122	128,141	141,151	14,532

Consolidated Financial Statements

(in thousands of dollars)

December 31, 2015

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS **Schedule 3**

	Infrastructure					
Plants and facilities	Roads	Underground and other networks	Bridges and other structures	Assets under construction	2015	2014
308,632	683,814	623,045	26,456	123,547	2,450,335	2,189,446
3,336	29,250	18,918	6,339	249,940	362,829	297,320
577	500	798	-	90	9,643	62,149
407	15,762	30	-	9,643	44,315	98,580
312,138	697,802	642,731	32,795	363,934	2,778,492	2,450,335
110,201	343,420	176,268	11,192	-	900,947	865,365
7,288	21,187	8,416	486	-	70,344	66,316
333	12,313	-	-	-	28,502	30,734
117,156	352,294	184,684	11,678	-	942,789	900,947
194,982	345,508	458,047	21,117	363,934	1,835,703	1,549,388

Deloitte.

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Bank of Montreal Building
Regina, SK S4P 3Z8
Canada

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www.deloitte.ca

INDEPENDENT AUDITOR'S REPORT

To His Worship the Mayor and Members of City Council

We have audited the accompanying financial statements of the General Trust Fund of the City of Regina, which comprise the statement of financial position as at December 31, 2015, and the statement of revenue, expenditures and change in fund balance for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of General Trust Fund of the City of Regina as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Professional Accountants

May 30, 2016
Regina, Saskatchewan

General Trust Fund

(in thousands of dollars)

December 31, 2015

STATEMENT OF FINANCIAL POSITION

	Perpetual Care Trust	Williamson Driver Award	Total 2015	Total 2014
ASSETS				
Cash	96	-	**96**	85
Long-term investments (Note 4)	2,654	5	**2,659**	2,542
Total Assets	2,750	5	**2,755**	2,627
LIABILITIES AND FUND BALANCES				
Due to the City of Regina	117	-	117	-
Fund balance	2,633	5	**2,638**	2,627
Total Liabilities and Fund Balances	2,750	5	**2,755**	2,627

See accompanying notes.

General Trust Fund

(in thousands of dollars)

December 31, 2015

STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE

	Perpetual Care Trust	Williamson Driver Award	Total 2015	Total 2014
REVENUE				
Contributions	11	-	**11**	8
Investment income	118	-	**118**	112
Total Revenue	129	-	**129**	120
EXPENDITURES				
Cemetery maintenance	118	-	**118**	112
Total Expenditures	118	-	**118**	112
Excess of revenue over expenditures	11	-	**11**	8
Fund balance, beginning of year	2,622	5	**2,627**	2,619
Fund balance, end of year	2,633	5	**2,638**	2,627

See accompanying notes.

General Trust Fund

(in thousands of dollars)

December 31, 2015

NOTES TO FINANCIAL STATEMENTS

1. PURPOSE OF FUND

The General Trust Fund comprises the assets, liabilities, revenues and expenses of the following two trusts administered by the City of Regina (the City):

(a) Perpetual Care Trust - In accordance with *The Cemeteries Act, 1999*, a portion of the monies received by the City from the sale of cemetery plot rights is put into a trust and invested. The income from the trust is used to pay for care and maintenance of the plots. Special approval is needed from the Registrar of Cemeteries before trust capital can be used to fund care and maintenance.

(b) Williamson Driver Award - When a bond was bequeathed to the City of Regina with trust conditions attached, a trust was established under *The Trust Act*. Each year the income from the bond is used to provide a safe-driving award to a Regina Transit employee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards, as recommended by the Chartered Professional Accountants of Canada (CPA Canada). The following policies are considered to be significant.

(a) The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

(b) Investments are recorded at cost less writedowns to reflect other than temporary declines in values. Any gains or losses are recognized on disposition of the investments.

(c) Investment revenue is recorded on the accrual basis.

General Trust Fund

(in thousands of dollars)

December 31, 2015

NOTES TO FINANCIAL STATEMENTS

3. FINANCIAL INSTRUMENTS

The carrying value of the amount due to the City of Regina approximates fair value due to its short-term nature.

Long-term investments are primarily exposed to foreign currency, interest rate, and market risk.

Interest rate risk refers to the adverse consequences of interest rate changes on the General Trust Fund's cash flows, financial position and excess of revenues over expenditures. This risk arises from differences in the timing and amount of cash flows related to the General Trust Fund's assets and liabilities.

Foreign currency risk arises from holding investments denominated in currencies other than the Canadian dollar. Fluctuations in the relative value of the Canadian dollar against these foreign currencies can result in a positive or negative effect on the fair value of investments held in the pooled bond fund.

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market.

4. LONG-TERM INVESTMENTS

The long-term investments consist of a pooled bond fund. A pooled bond fund is a group of individual bonds managed by an investment manager. The market value of the pooled bond fund units is based on the market price per unit which is determined by the overall market values of each of the bonds in the fund.

	2015	2014
Investment cost	2,659	2,542
Market value	2,724	2,631

5. STATEMENT OF CASH FLOWS AND CHANGE IN NET FINANCIAL ASSETS

The statement of cash flows and the statement of change in net financial assets have not been prepared for the year ended December 31, 2015, as they would not provide additional information.

Appendix A

Ontario Municipal Benchmarking Initiative Influencing Factors

The factors are diverse, but generally fall into one of the following categories:

- Choices about the service level provided
- Environmental conditions (e.g. weather, soil type, etc.)
- Economic conditions (e.g. labour market, goods and material cost, etc.)

The following outlines the influencing factors for each of the services with results reported in this document.

Building Permits and Inspections Influencing Factors

- **Growth:** Population growth and the overall economic growth of a municipality.

Parking Influencing Factors

- **Operating Standards and Policies:** Cost recovery policies, service hours (24/7 availability, or restricted access) maintenance standards (for line painting, lighting replacement, garbage collection, etc.).
- **Processes and Systems:** Type and quality of technology used to manage operations and enforcement, i.e. handheld devices vs. written; ticket management systems; meters vs pay and display machines, level of automation at parking surface lots vs parking garage structures.
- **Utilization Levels:** Use of variable-rate pricing structures, the availability of public transit/public transit utilization rate and the proximity of parking alternatives (free public parking, private lots) will impact utilization levels.

Culture Influencing Factors

- **In-Kind Services:** Municipalities may not have reported the value of in-kind services and may/or may not be able to quantify these services.
- **Municipal Policy:** Whether a municipality has adopted a cultural policy or plan, i.e. public art, special events, etc. and how the municipality has defined its roles and responsibilities, may affect the way programs and services are delivered and the sized of funding invested in the community.

Sport and Recreation Influencing Factors

- **Demographics:** Needs of different ethnic groups and socio-economic factors.
- **Facilities:** Number of facilities, mix of facility types, age of facilities, access to Board of Education facilities (e.g. gymnasiums).
- **Partnerships:** Degree to which the Municipality utilizes partnerships with external entities (third-party, community groups and contracted service providers) can influence the level of participation reported for directly provided registered programs.
- **Programming:** Variety of recreation programs offered, class length, mix of instructional vs drop-in vs permitted, number and extent of age groups with targeted programs, number of program locations, frequency and times of program offerings impacts available capacity. Municipal program delivery is also influenced by the activities of other service providers in the market place.
- **Weather:** Weather conditions can impact participation levels.

Fire Influencing Factors

- **Fire Prevention and Education:** Enforcement of the Fire Code and the presence of working smoke alarms.
- **Geography:** Topography, urban/rural mix, road congestion, fire station locations and travel distances from those stations.
- **Nature and Extent of Fire Risk:** Type of building construction or occupancy (e.g. apartment dwellings vs. single-family homes versus institutions such as hospitals).
- **Response Agreements:** Depending on response agreements between Fire Services, Emergency Medical Services (EMS) and hospital protocols, responses to medical calls can be a significant activity.
- **Service Levels:** Set by municipal councils, based on local needs and circumstances (staffing, resources, response expectations, etc.).

Clerks Influencing Factors

- **Citizen Engagement:** State of interaction with citizens and the amount of citizen trust/distrust of the organization.
- **Contentious Issues:** Whether there are prevailing major issues in the municipality (e.g. major construction projects, road widening, bids for international events, etc.).
- **Practices & Policies:** Responsiveness of the organization to requests; number of routine disclosure policies.

Facilities Influencing Factors

- **Size of City Administration:** The size of city administration and the way in which the municipality manages its services (direct delivery; partnerships; contract services) will affect number, size and type of facilities owned and operated by the municipality.

Fleet Influencing Factors

- **Fleet Mix and Usage:** Each municipality's fleet, the number of vehicles in each class and their usage will affect costs, i.e. light vehicles will incur less cost than heavy, etc. Inclusion of transit vehicles could lead to high overall costs. The average age of each municipality's fleet, number of hours used, the use of various vehicles (pure City use vs highway use) and the environment in which it is used will affect the amount required to be spent in maintenance.
- **Organization Form:** Some fleet groups are centralized, i.e. responsible for all fleet costs; and others are decentralized, i.e. other departments pick up some of the fleet costs.
- **Policy and Processes:** Some municipalities charge back for all costs; while others do not charge back for such things as facilities, purchasing, IT, HR, etc.

Human Resources Influencing Factors

- **Staffing of Services:** In some service areas, a significant number of seasonal and part-time staff is required (e.g. Parks and Recreation). As a result, these service areas tend to have higher turn-over rates, which result in providing a higher level of service and directly impacts Human Resources.

Information Technology Influencing Factors

- **Devices:** Number and types could be influenced by the types of services provided and/or the organizational culture.
- **Government Structure:** Different tiers of municipal government, i.e. single-tier or upper-tier, and the specific services each one offers will affect results.
- **IT Services:** Type of IT services provided may vary from one municipality to another, i.e. does IT include GIS, Telecommunications, etc.
- **Organizational Form:** Extent to which IT services are centralized or decentralized can influence reported results, i.e. services may also be contracted out, directly impacting full-time equivalent (FTE) levels.
- **Processes and Systems:** Database systems used could impact reporting capabilities.

Investment Management Influencing Factors

- **Economic Conditions:** Local economy, unionization, state of assets (life expectancy); prevailing interest rates and shape of the yield curve; availability of product.
- **Geography:** Population, density and land mass.
- **Government Structure:** Single tier or two-tier impacts the level of expenditures.
- **Organizational Form:** Reporting structure, levels within departments.
- **Policy and Practice:** General accounting practices (terms utilized for various receivables and payments); investment policy objectives, i.e. risk tolerances, preservation of capital vs growth; municipal life stage (growth vs maturity); legislative investment policy constraints; cash inflows/outflows to portfolio.

Parks Influencing Factors

- **Demographics and Community Use:** Community/ Resident demand for parks usage has increased in recent years particularly for large, social gatherings and various cultural activities, i.e. specialty fields, cultural gardens, community gardens, dogs off-leash areas, special events, etc.
- **Geography:** Varying topography affects the number of hectares (e.g. size of escarpment, number of lakes, transportation networks).

Roads Influencing Factors

- **Maintenance Standards:** Different standards, set by respective municipal councils, can have an impact on costs and affect municipal backlog of roads rated in poor condition and general levels of service.

Transit Influencing Factors

- **Demographics:** Average household income, auto ownership rates, age of population and communities with higher immigrant levels impact transit and market share.

Waste Management Influencing Factors

- **Diversion Efforts:** Nature and extent of a municipality's diversion efforts, i.e. enforcement of various programs, impacts the type and amount of material included in waste collection.
- **Education:** How municipalities promote, manage and enforce garbage collection, disposal, recycling and diversion programs and services.
- **Organizational Form:** Different service levels and standards; frequency of pick-ups, hours of operation, average number of people per household; residential vs commercial and industrial service.

Water Influencing Factors

- **Conservation Programs:** Extent of municipal water conservation programs can impact water consumption.
- **Treatment Plants:** Number, size and complexity of the municipality's water. treatment plants.
- **Weather Conditions:** Negative impacts associated with more severe and frequent extreme weather events.

Wastewater Influencing Factors

- **Policy and Practices:** Frequency of wastewater collection system maintenance activities, collection system age, condition and type of pipe material.
- **Treatment Plants:** Number, size and complexity of the wastewater collection systems and treatment plants operated.

Appendix B

Service Partners

Economic Development Regina

255, 1919 Rose Street
Regina, Saskatchewan S4P 3P1
Fax: 306-352-1630
Phone: 306-522-0227
Contact: Mr. John Lee

Regina Downtown

140 – 2401 Saskatchewan Drive
Regina, Saskatchewan S4P 4H8
Fax: 306-359-9060
Phone: 306-359-7541
Contact: Ms. Judith Veresuk

Buffalo Pound Water Administration Board

c/o City of Regina
Queen Elizabeth II Court
PO Box 1790
Regina, Saskatchewan S4P 3C8
Fax: 306-694-6050
Phone: 306-694-1377
Contact: Mr. Ryan Johnson

Regina's Warehouse Business Improvement District

202 – 1275 Broad Street
Regina, Saskatchewan S4R 1Y2
Fax: 306-585-1765
Phone: 306-585-3948
Contact: Ms. Lovella Jones

Regina Public Library

2311 – 12th Avenue
PO Box 2311
Regina, Saskatchewan S4P 3Z5
Fax: 306-352-5550
Phone: 306-777-6060
Contact: Ms. Gail Kruger

Regina Exhibition Association Limited

Operating Evraz Place
PO Box 167
1700 Elphinstone Street
Regina, Saskatchewan S4P 2Z6
Fax: 306-565-3443
Phone: 306-781-9200
Contact: Mr. Dean Churchill

Appendix C

Glossary

Accrued Benefit Obligation: The present value of the expected payouts for benefits which employees have earned at year end. This amount is calculated by the City's actuaries every three years, and updated based on actual data between valuations.

Accrued Benefit Liability: The amount recorded in the Statement of Financial Position representing the present value of the expected payouts for benefits which employees have earned at year end, after allowing for the required smoothing of actuarial gains and losses. PSAB requires amortization of each actuarial gain or loss over the Expected Average Remaining Service Life of the employee group, at the time of the actuarial valuation. This net liability may be lower than the gross liability when actuarial losses exceed gains, or larger than the gross liability when gains exceed losses.

Accrual Accounting: The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay. This is also known as the full accrual basis of accounting. Prior to 2009, municipal governments did not capitalize tangible capital assets and recorded them as expenditures. This was the only exception to the accrual basis of accounting and therefore municipal accounting was previously referred to as the modified accrual basis of accounting.

Accumulated amortization: The sum of all amortization expensed on a given asset or asset class to-date.

Accumulated surplus: The difference between the City's financial and non-financial assets and its liabilities. The accumulated surplus represents the net financial and physical assets / resources available to provide future services. It is the sum of amounts invested in: tangible capital assets; the operating, capital, reserve and reserve funds; net of amounts to be recovered from future revenues.

Amortization expense: Annual charge to expense to represent allocation of an asset's cost over its useful life.

Amounts to be recovered: The sum of items that have not been included in previous budgets and that will be recovered from future rates or taxes. Amounts to be recovered consist of outstanding debt, unfunded future employment costs, unfunded landfill post-closure costs, as well as unfunded environmental, property and liability claims.

Benchmarking: The measurement of the quality of an organization's policies, programs, services, etc., and their comparison with similar measurements of its peers. The objectives of benchmarking are (1) to determine what and where improvements are called for, (2) to analyze how other organizations achieve their high performance levels, and (3) to use this information to improve performance.

Budget – capital: An outline of the government's capital revenue and expense plans for the upcoming year. It is the process of allocating resources for major capital projects, investment, and expenditures.

Budget – operating/utility: An outline of the government's operating/utility revenue and expense plan for the upcoming year. The Operating/Utility Budget is formally presented early each year, and is subject to public consultation and debate prior to approval. The Operating/Utility Budget sets out the amount of taxes to be collected for the year, fees to be charged and authorized expenses.

Business Improvement District (BID): A Business Improvement District is an association of commercial property owners and tenants within a defined district, who work in partnership with the City to create thriving, competitive, and safe business areas that attract shoppers, diners, tourists, and new businesses.

CPA Canada - Chartered Professional Accountants of Canada: The CPA Canada conducts research into current business issues and supports the setting of accounting, auditing and assurance standards for business, not-for-profit organizations and government.

Consolidated statements: Financial statements which include all of the entities controlled by the City.

Consolidation: Inclusion of all entities controlled by the City, except for those which qualify as government business enterprises, on a line-by-line basis in the City's financial statements.

Contingent Liabilities: Possible obligations that may result in the future sacrifice of economic benefits arising from existing conditions or situations involving uncertainty. The uncertainty will ultimately be resolved when one or more future events not wholly within the government's control occur or fail to occur. Resolution of the uncertainty will confirm the incurrence or non-incurrence of a liability.

Contractual Obligations: Obligations of a government to others that will become liabilities when the terms of a contract or agreement are met.

Debenture: A debt instrument where the issuer promises to pay interest and repay the principal by the maturity date. It is unsecured, meaning there is no lien on any specific asset.

Debt: A financial obligation to another entity from borrowing money.

Deferred revenue: Amounts received regarding obligatory reserve funds or funds with other internal or external restrictions, which have remained unspent at year end. These amounts are shown with liabilities and are recognized in revenue when the revenues are earned, which may include spending the monies for their intended purpose.

Deficit: The amount, if any, by which government expenses exceed revenues in any given year. Unlike the senior levels of government, municipalities cannot budget to run a deficit.

Fair Value: The price that would be agreed upon in an arm's length transaction and in an open market between knowledgeable, willing parties who are under no compulsion to act. It is not the effect of a forced or liquidation sale.

Financial Assets: Assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets include cash; an asset that is convertible to cash; a contractual right to receive cash or another financial asset from another party; a temporary or portfolio investment; and a financial claim on an outside organization or individual.

Fiscal Year: The City of Regina's fiscal year runs from January 1 to December 31.

GAAP-Generally Accepted Accounting Principles: As laid out in the relevant Handbook – the Public Sector Accounting Handbook for government organizations and the CPA Canada Handbook or IFRS for Government Business Enterprises.

GAAS-Generally accepted auditing standards: Standards established by CPA Canada for use by public accountants when conducting external audits of the financial statements.

Government Business Enterprise (GBE): An organization that has all of the following characteristics: (1) it is a separate legal entity with the power to contract in its own name and that can sue and be sued; (2) it has been delegated the financial and operational authority to carry on a business; (3) it sells goods and services to individuals and organizations outside of the government reporting entity as its principal activity; and (4) it can, in the normal course of its operations, maintain its operations and meet its liabilities from revenues received from sources outside of the government reporting entity.

Greenfield development: New developments that occur on lands located at the city's periphery that has not previously been developed. New servicing such as roads, water and sewer are all requirements for greenfield development.

GST-Goods Sales Tax: Levied on goods and services by the federal government.

Indemnity: An agreement whereby one party agrees to compensate another party for any loss suffered by that party. The City can either seek or provide indemnification.

Infrastructure: The facilities, systems and equipment required to provide public services and support private sector economic activity including network infrastructure (e.g., roads, bridges, water and wastewater systems, large information technology systems), buildings (e.g., hospitals, schools, courts), and machinery and equipment (e.g., medical equipment, research equipment).

International Financial Reporting Standards (IFRS): Government Business Enterprises must follow IFRS for fiscal years beginning on or after January 1, 2011. Other government organizations may also choose to follow IFRS. IFRS reporting is also mandatory for publicly accountable (non-government) enterprises beginning in 2011. IFRSs are now available in part I of the CPA Canada Handbook.

Key Performance Indicators (KPI): A set of quantifiable measures that an organization uses to gauge or compare performance in terms of meeting their strategic and operational goals.

Liabilities: Are present obligations of a government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. These liabilities have three essential characteristics: (1) they embody a duty or responsibility to others, leaving a government little or no discretion to avoid settlement of the obligation; (2) the duty or responsibility to others entails settlement by future transfer or use of assets, provision of goods or services, or other form of economic settlement at a specified or determinable date, on occurrence of a specified event, or on demand; and (3) the transactions or events obligating the government have already occurred.

LTD: Long Term Disability

Multi-employer Pension Plan: A defined benefit pension plan to which two or more governments or government organizations contribute, usually pursuant to legislation or one or more collective bargaining agreements. The main distinguishing characteristic of a multi-employer plan is that the contributions by one participating entity are not segregated in a separate account or restricted to provide benefits only to employees of the entity and, thus may be used to provide benefits to employees of all participating entities.

Net Book Value of Tangible Capital Assets: Historical cost of tangible capital assets less both the accumulated amortization and the amount of any write-downs.

Net Debt: The difference between the City's total liabilities and financial assets. It represents the City's future revenue requirements to pay for past transactions and events.

Non-Financial Assets: Assets that normally do not generate cash capable of being used to repay existing debts. For the Province, it comprises tangible capital assets and net assets of broader public sector organizations.

Prepaid Expenses: Prepaid expenses are non-financial assets which result when payments are made in advance of the receipt of goods or services. Prepaid expenses may arise from payments for insurance premiums, leases, professional dues, memberships and subscriptions.

Present Value: The current worth of one or more future cash payments, determined by discounting the payments using a given rate of interest.

PSAB-Public Sector Accounting Board: The PSAB of the CPA Canada sets standards and provides guidance for financial and other performance information reported by the public sector.

Realized Gains and Losses: Gains/losses resulting from selling assets at a price higher/lower than the original purchase price.

Recognition: The process of including an item in the financial statements of an entity.

Reserves and reserve funds: Fiscal and accounting entity segregated by Municipal Council for the purpose of carrying on specific activities or attaining certain objectives in accordance with internally or externally established restrictions or limitations.

RRI-Regina Revitalization Initiative: The largest revitalization project in City of Regina's history begins with the construction of a new stadium at Evraz Place.

Servicing Agreement Fee: Amounts collected from developers through Servicing Agreements entered into by the City and the Developer in respect of the development Area, which must be spent in a prescribed manner.

Standard & Poor's - S & P: The world's leading index provider and the foremost source of independent credit ratings. Standard & Poor's has been providing financial market intelligence to decision-makers for more than 150 years.

Straight-Line Basis of Amortization: A method whereby the annual amortization expense is computed by dividing (1) the historical cost of the asset less the residual value by (2) the number of years the asset is expected to be used.

Surplus: The amount by which revenues exceed expenses in any given year.

Tangible Capital Assets: Physical assets including land, buildings, transportation and transit infrastructure, water & wastewater infrastructure, vehicles and equipment. These assets are recorded in the City's consolidate financial statements for the first time in 2009.

The Cities Act 2002: The Statutes of Saskatchewan that outlines the broad permissive powers of the City of Regina to pass bylaws that range from public safety, to the City's

economic, social and environmental wellbeing.

Total Debt: City's total borrowings outstanding.

Transfer Payments: Grants or transfers of monies to individuals, organizations or other levels of government for which the government making the transfer does not receive any goods or services directly in return, as would occur in a purchase or sale transaction; expect to be repaid, as would be expected in a loan; or expect a financial return, as would be expected in an investment.

Unrealized Gain or Loss: An increase or decrease in the fair value of an asset accruing to the holder. Once the asset is disposed of or written off, the gain or loss is realized.

WCB: Workers' Compensation Board, Saskatchewan.

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